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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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Document Type: I-ACGR
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COVER SHEET

PW-102

S.E.C Registration Number

MANILA ELECTRIC COMPANY

(Company's Full Name)

LOPEZ BUILDING, ORTIGAS AVENUE,

BRGY UGONG, PASIG CITY

(Business Address: No. Street City / Town / Province)

ATTY. WILLIAM S. PAMINTUAN

Contact Person

632-8014

Company Telephone Number

CONSOLIDATED CHANGES

12-31

Month Day

Fiscal Year

I-ACGR

FORM TYPE

05 28

Month Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) **"Recommendations" –** derived from the CG Code for PLCs; (2) **"Supplement to Recommendation" –** derived from the PSE CG Guidelines for Listed Companies; (3) **"Additional Recommendations"** – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) **"Optional Recommendation"** – practices taken from the ASEAN Corporate Governance Scorecard ***Items under (1) – (3) must be answered/disclosed by the**	The company shall **indicate compliance or non-compliance** with the recommended practice.	The company shall provide additional information to **support their compliance** with the recommended CG practice	The PLCs shall **provide the explanations for any non-compliance,** pursuant to the "comply or explain" approach. Please note that the explanation given should describe the non-compliance and include **how the overall Principle being recommended is still being achieved** by the company. ***"Not Applicable" or "None" shall not be considered as sufficient explanation**

PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.			

C. Signature and Filing of the Report

a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**

b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures

c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.

d. The I-ACGR shall cover all relevant information from January to December of the given year.

e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2023
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) 632-8014
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
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: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance The Board of Manila Electric Company ("MERALCO") is composed of directors who have a collective working knowledge, experience and expertise relevant to power, energy, and electric distribution industry/sector. 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, with each 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 their roles and	
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		

		responsibilities and respond to the needs of the organization. The profiles of the directors are disclosed in MERALCO 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. Links: **Profile of Directors:* ***Meralco Website:*** *Board of Directors (meralco.com.ph)* ***SEC Form 17-A Annual Report, pages 141-143; 97-110*** *mer.ph/2023AR_17A* ***Annual Report*** *https://company.meralco.com.ph/investor-relations/annual-reports* ***Annual Report, pages 234-237*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* **Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance are found in page 5 of the **By-Laws**:* *by-laws.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com)*	

		Board Charter, *page 4 for general qualifications; and pages 2 to 3 for independent directors:* *Mer.ph/BoardCharter* **Qualifications of independent directors are found in pages 6 and 7; qualifications of directors in general in pages 31-33, of the* ***Revised Manual of Corporate Governance:*** *Mer.ph/CGManual* 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 4.1.15, Revised Manual of Corporate Governance). **Policy on annual continuing training program of directors is found in page 11 of the Revised Manual of Corporate Governance and page 14 of the Board Charter:* *Mer.ph/BoardCharter*	

		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 Nom&Gov Committee, B.5). ***Nomination and Governance Committee Charter*** Mer.ph/NomGovCharter	
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 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. Director / Designation Manuel V. Pangilinan[1] / Chairman and Executive Director Lance Y. Gokongwei / Non-Executive Director Ray C. Espinosa[2] / Non-Executive Director James L. Go / Non-Executive Director Victorico P. Vargas / Non-Executive Director Jose Ma. K. Lim / Non-Executive Director	

Anabelle L. Chua[3]	Non-Executive Director
June Cheryl A. Cabal-Revilla[4]	Non-Executive Director
Frederick D. Go	Non-Executive Director
Artemio V. Panganiban	Lead Independent Director
Pedro E. Roxas	Independent Director
Lydia B. Echauz	Independent Director

[1] Chairman and CEO as of May 30, 2023

[2]President and CEO until May 30, 2023; Non-Executive Director as of May 30, 2023

[3] Non-Executive Director until May 30, 2023

[4] Non-Executive Director as of May 30, 2023

The same is disclosed in the Corporate Governance page of the Company Website and in the Annual Report.

Link:
Meralco Website:
Board of Directors (meralco.com.ph)

SEC Form 17-A Annual Report, pages 141-143; 97-110
mer.ph/2023AR_17A

Annual Report
https://company.meralco.com.ph/investor-relations/annual-reports
Annual Report, page 195

		meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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. The Company's Board Charter and Section 4.1.1.5 of its Revised Manual of Corporate Governance provides 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 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. 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. **Policy on annual continuing training program of directors is found in page 11 of the **Revised Manual of Corporate Governance**:* *Mer.ph/CGManual* *Same provision appears in page 14 of the **Board Charter**: ***Board Charter*** *Mer.ph/BoardCharter* The trainings attended by the Company Directors are disclosed in the Annual Report and in the Company Website. Links: ***SEC Form 17-A Annual Report, pages 148-149*** *mer.ph/2023AR_17A* ***Annual Report:*** *https://company.meralco.com.ph/investor-relations/annual-reports* ***Annual Report, page 207*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Meralco Website:*** ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters*	

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. The Company has an established orientation program for every new director to ensure of their practical understanding of business in general, and of Meralco in particular. The Board Charter and Revised Manual of provides 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 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. 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.	

		Link: ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters* **Policy on annual continuing training program of directors is found in page 11 of the* ***Revised Manual of Corporate Governance:*** ***Revised Manual of Corporate Governance:*** *Mer.ph/CGManual* *Same provision appears in page 14 of the ***Board Charter***: ***Board Charter*** *Mer.ph/BoardCharter* Contents of the Orientation Program for New Directors can be downloaded from the Company website. Link: ***Orientation Program Kit:*** *https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/7.1%20Onboarding%20Program.pdf?null*	
3. Company has relevant annual continuing training for all 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. The Company's Board Charter and Section 4.1.1.5 of its Revised Manual of Corporate Governance provides that all directors shall undergo relevant and continuing training for a duration equal to or longer than what is	

		required by law and regulations. The 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 Continuing Education attended by the Company Directors is disclosed in the published Annual Report and the Company Website. Links: ***SEC Form 17-A Annual Report, pages 148-149*** *mer.ph/2023AR_17A* ***Annual Report*** *https://company.meralco.com.ph/investor-relations/annual-reports* ***Annual Report, page 207*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Meralco Website:*** ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters* Notably, the annual continuing training program 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. **Policy on annual continuing training program of directors is found in page 11 of the* ***Revised Manual of Corporate Governance:*** *Mer.ph/CGManual* *Same provision appears in page 14 of the **Board Charter:** *Mer.ph/BoardCharter*	
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. Indicate gender composition of the board. 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.	

		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. Links: ***Board Diversity Policy:*** *boarddiversitypolicy.pdf (amazonaws.com)* ***Meralco Website:*** ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters* From January to May 2023, the Board was composed of nine (9) male directors and two (2) female directors, Ms. Anabelle L. Chua and Ms. Lydia B. Echauz. Ms. Chua has over twenty (20) years of experience in the areas of accounting, corporate finance, treasury, financial control and credit risk management while Ms. Echauz, an independent director, was a member of the academe and has background in business administration, economics and mathematics. 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. During the annual stockholders meeting held on 30 May 2023, two (2) female directors were again elected: Ms. Lydia B. Echauz and Ms. Chaye A. Cabal-Revilla. 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. Links: ***SEC Form 17-A Annual Report, pages 141-143; 97-110*** *mer.ph/2023AR_17A* ***Meralco Website:*** *Board of Directors (meralco.com.ph)*	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	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.	

		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. The measurable objectives vis-a-vis Board composition from 2022 and 2023 are stated in the Company website: ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters* ***SEC Form 17-A Annual Report, pages 142-143*** *mer.ph/2023AR_17A*	

Measurable Objectives	2023 Board	Description	2022 Board	Description
Gender Diversity	√	Mix of Male and Female Directors 9 male and 2 female directors	√	Mix of Male and Female Directors 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 50 to 90 years old	√	Age ranges from 50 to 90 years old
Board Tenure	√	Tenure ranges from 1 to 10 years	√	Tenure ranges from 1 to 10 years
Expertise				
E.1. Industry Expertise	√	Mix of directors siting as members of the BOD in Energy, Electric Retail and Power Generation companies	√	Mix of directors siting as members of the BOD in Energy, Sustainability, Petrochemical, Telecommunications, 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 petrochemical, 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	√	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		Philippines, Former Chairperson of the Presidential Electoral Tribunal, Permanent Court of Arbitration, Judicial and Bar Council and Philippine Judicial Academy
E.5. Corporate Governance	√	Director with membership in Shareholders Association of the Philippines, Fellowship in ICD, Former Governor of Philippine Stock Exchange,	√	Director with membership in Shareholders Association of the Philippines, Former Governor of Philippine Stock Exchange,
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, telecommunications, realty, media, medical, insurance and retail companies	√	Mix of directors who are likewise directors, advisors or consultants of media, telecommunications, banking, telecommunications, 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, Federation of Philippine Industries, Philippine Olympic Committee,

Link:

Board Diversity Policy:

https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/boarddiversitypolicy.pdf?null)

		Meralco Website: ***Board Matters*** *https://company.meralco.com.ph/corporate-governance/board-matters*	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. The Company's Corporate Secretary, Atty. Simeon Ken R. 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. The information on the Corporate Secretary, including his name, qualifications, duties and functions are stated in the Annual Report and in the Company website. Links: ***SEC Form 17-A Annual Report, pages 110, 145*** *mer.ph/2023AR_17A* ***Annual Report*** *https://company.meralco.com.ph/investor-relations/annual-reports* ***Annual Report, page 197***	

		meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Meralco website:*** https://company.meralco.com.ph/corporate-governance/management-team-and-executive	
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 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 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. Links: ***SEC Form 17-A Annual Report, page 110- 111, 145*** mer.ph/2023AR_17A ***Annual Report*** https://company.meralco.com.ph/investor-relations/annual-reports ***Annual Report, page 197*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Meralco website:***	

		https://company.meralco.com.ph/corporate-governance/management-team-and-executive	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions 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 and in the Company Website.** Links: *Names and profiles of directors: ***Meralco Website:*** Board of Directors (meralco.com.ph) ***SEC Form 17-A Annual Report, pages 97-110*** mer.ph/2023AR_17A The name, qualifications, duties, and functions of the Corporate Secretary are stated in the **Annual Report and in the Company Website.** ***SEC Form 17-A Annual Report, pages 110, 145,*** mer.ph/2023AR_17A ***Annual Report, page 197*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Meralco Website:***	

		https://company.meralco.com.ph/corporate-governance/management-team-and-executive	
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 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 Governance Enhancement Session (ACGES) on November 9, 2023, entitled Governance Imperatives, Opportunities, and Challenges in the Age of Artificial Intelligence by Dr. Max Tegmark and Atty. Edsel F. Tupaz. Links: ***Meralco Website:*** https://company.meralco.com.ph/corporate-governance/management-team-and-executive ***SEC Form 17-A Annual Report, pages 145, 110*** mer.ph/2023AR_17A	

		Advisement Letters on the corporate governance training of directors and officers, page 30: *ACGES 2023 Certificate-template (amazonaws.com)*	
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 As required under Section 4.1.2.4 (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. The Corporate Secretary hereby attests that in 2023, he distributed materials for board meetings at least five (5) business days before scheduled meetings. Links: **** Section 4.1.2.4 (vi) of the Manual is found on page 13:*** *mer.ph/CGManual* ***Board Charter, page 15:*** Mer.ph/BoardCharter ***Meralco Website:*** Management Team and Executive Officers (meralco.com.ph)	
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. 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 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 and stated in the Company Website. Links: ***SEC Form 17-A Annual Report, pages 111, 145*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 197:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Profile of the Compliance Officer:*** *Corporate Governance and Compliance Office (meralco.com.ph)* ***Definitive Information Statement 2023, page 19 and 153:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, pages 19-20, 150:***	

		mer.ph/DIS2024	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	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. 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. Links: **Amended 2023 General Information Sheet, page 5:** *meralco_2023_amended_gis_-_july_19_2023.pdf (amazonaws.com)* ***17-A Annual Report, page 111 and 145*** *mer.ph/2023AR_17A* ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 197:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Meralco Website:*** Corporate Governance and Compliance Office (meralco.com.ph)	
3. Compliance Officer is not a member of the board.	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. 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. Links: ***17-A Annual Report, pages 111, 145, and 141*** *mer.ph/2023AR_17A* ***Meralco Website:*** Https://mer.ph/BODirectors 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. Links: ***17-A Annual Report, page 121, 145-146*** *mer.ph/AnnualReport17A2022* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 197:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Definitive Information Statement 2023, page 19:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, pages 19-20, 150:*** *mer.ph/DIS2024* ***Revised Manual of Corporate Governance, page 13-14:*** mer.ph/CGManual ***Meralco Website:***	

		Corporate Governance and Compliance Office (meralco.com.ph)	
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 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 fl Links: ***Meralco Website:*** *Management Team and Executive Officers (meralco.com.ph)* ***SEC Form 17-A Annual Report, pages 145, 110*** *mer.ph/2023AR_17A* ***Advisement Letters on the corporate governance training of directors and officers, page 38:*** *ACGES 2023 Certificate-template (amazonaws.com)*	
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) 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 disclosed in the Annual Report and in the Definitive Information Statement under List of Acts of the MERALCO Board. 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. Link: ***SEC Form 17-A Annual Report—Sustainability Report section, page 55 (Annual Report, page 520)*** *mer.ph/2023AR_17A* ***Annual Report*** Annual Reports (meralco.com.ph) The results of board meetings are also disclosed to the SEC and PSE though the	

		Definitive Information Statement (DIS) and uploaded in the Company website. Link: ***Meralco Website:*** SEC and PSE Filings (meralco.com.ph) ***Definitive Information Statement 2023, List of the Acts of the Board, Annex B:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, Annex B on List of the Acts of the Board, page 224-227:*** *mer.ph/DIS2024*	
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) Indicate frequency of review of business objectives and strategy 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. The Board, in its regular meeting held on 12 January 2023 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 values statements as well as the corporate strategic objectives of the Company and the same was reviewed and confirmed by the Board in 2023. The Board, in its regular meeting, held on 12 January 2023, also approved the 2023-2027 Budget and Business Plan. Link: ***Definitive Information Statement 2023, List of the Acts of the Board, Annex B, page 228:*** *mer.ph/DIS2023* ***SEC Form 17-A Annual Report, pages 147-148*** *mer.ph/2023AR_17A* ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 191:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	

2. Board oversees and monitors the implementation 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) Indicate frequency of review of business objectives and strategy 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. Link: ***Definitive Information Statement 2023, List of the Acts of the Board, Annex B, page 228:*** *mer.ph/DIS2023* ***SEC Form 17-A Annual Report, pages 147-148*** *mer.ph/2023AR_17A* ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 191:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. Indicate frequency of review of the vision, mission and core values. 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 2023. The Mission, Vision, Values and Principles of the Company are posted in the Company Website. Links: ***Meralco Website:*** Meralco's Mission, Vision and Values Https://mer.ph/BODirectors ***SEC Form 17-A Annual Report, page 147*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 192:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. 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. 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 performance of Management is assessed through the achievement of the Company's established GAINs Performance indicators. Links: ***Management Control Policy:***	

		img-610131619-0001.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) ***Meralco Website:*** *Management Team and Executive Officers (meralco.com.ph)*	
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 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. His qualifications are stated in his profile which is posted in the Company website and disclosed in the Annual Report and in the Definitive Information Statement (DIS). Links: *Profile of the Chairman of the Board: ***Meralco website:*** Https://mer.ph/BODirectors ***SEC Form 17-A Annual Report, pages 144, 97-99*** *mer.ph/2023AR_17A*	

		Definitive Information Statement 2024*, *pages 6-7, 149 *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 195:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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* 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, 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. 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. Presently, the succession plan covers the top 661 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 management talent review has resulted in a pool of about of 12 candidates who, subject to realization of their development plans, could become management committee members within the next five (5) years. Links: ***Revised Manual of Corporate Governance, Section 4.3.9, page 26 & Section 4.11.6, page 41:*** *mer.ph/CGManual* ***SEC Form 17-A Annual Report, pages 149, 163, Sustainability Report section, page 56, 72*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 217:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	

		Meralco website: Management Team and Executive Officers (meralco.com.ph)	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	The Board 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. Link: ***Meralco Website:*** *mer.ph/BoardMatters* ***Revised Manual of Corporate Governance, Section 4.3.9, page 26 & Section 4.11.6, page 41:*** *mer.ph/CGManual* ***SEC Form 17-A Annual Report, page 149; Sustainability Report section, page 58*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Meralco website:*** *Management Team and Executive Officers (meralco.com.ph)*	
Recommendation 2.5			

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. 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. 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 Remuneration and Leadership Development Committee. The Board ensures that the remuneration of directors and officers is	

		consistent with the Company's culture, strategy, and the business environment in which it operates and aligned with the long-term interest of the Company. Link: ***SEC Form 17-A Annual Report, page 134-135, 149-150; Sustainability Report section, pages 58-60*** *mer.ph/2023AR_17A* ***Annual Report*** Annual Reports (meralco.com.ph) ***Revised Manual of Corporate Governance, page 26-27:*** *mer.ph/CGManual*	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	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. Link: ***SEC Form 17-A Annual Report, page 134-135, 149-150; Sustainability Report section, pages 58-60*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 201:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Revised Manual of Corporate Governance, page 26-27:*** *mer.ph/CGManual*	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Directors do not participate in discussions or deliberations involving their own remuneration. 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. 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 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. Links: ***SEC Form 17-A Annual Report, page 134-135, 149-150; Sustainability Report section, pages 58-60*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Revised Manual of Corporate Governance, page 26-27:*** *mer.ph/CGManual* ***By-laws, Article II, Section 7, page 6:*** by-laws.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com)	

		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. Link: ***Remuneration and Leadership Development Committee Charter:*** *mer.ph/RLDCCharter*	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval 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. 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, page 228:*** *mer.ph/DIS2023* The Corporate Secretary hereby attests that the Board approved the remuneration of senior executives for Year 2023 as included in the 2023-2027 Budget and Business Plan.	

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. 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. In particular, the Company compensates employees based on 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**. ***SEC Form 17-A Annual Report, page 150*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 155*** *mer.ph/DIS2024* 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 ***Note 26, Notes to Consolidated Financial Statements attached to the Definitive Information Statement Definitive Information Statement 2024***, *mer.ph/DIS2024* The Company provides for schemes that account for performance beyond short-term financial measures such as balanced scorecard schemes. 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. Link: ***SEC Form 17-A Annual Report, page 153***	

		mer.ph/2023AR_17A ***Definitive Information Statement 2024*, *page 158*** mer.ph/DIS2024 ***Annual Report*** Annual Reports (meralco.com.ph) **Page 217:** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
Recommendation 2.6			
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. Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. 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	
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		

		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. Link: ***Nomination and Election Policy*** mer.ph/ElectionPolicy ***Revised Manual of Corporate Governance, Section 4.2.4, pages 17-19:*** *mer.ph/CGManual* A "Call for Nomination" was submitted to the SEC and posted in the Company's website January 30, 2023 calling for the submission of the proposed agenda and nomination of qualified candidates on or before March 6, 2023: ***Minutes of the 2023 ASM, page 15*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 159*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 165*** *mer.ph/DIS2024* Stakeholder Engagement (meralco.com.ph)	

		The Corporate Secretary attests that the Company allows its minority shareholders to nominate candidates to the Board.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	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. Link: ***Nomination and Election Policy, page 3:*** mer.ph/ElectionPolicy ***Revised Manual of Corporate Governance, Section 4.2.4, pages 17-19:*** mer.ph/CGManual	
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 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 will then elect the directors during the Annual Stockholders' Meeting (ASM) held every last Tuesday of May. 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. ***SEC Form 17-A Annual Report, page 145*** *mer.ph/2023AR_17A*	
Recommendation 2.7			
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 Identify transactions that were approved pursuant to the policy. 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.	
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,	Compliant		

structure, risk profile and complexity of operations.		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. In 2023, all RPTs were reviewed, approved, and determined to be fair and on arm's length terms. ***SEC Form 17-A Annual Report, page 158 (Sustainability Report section of the Annual Report, page 68)*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 163*** *mer.ph/DIS2024* 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 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'). 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. Link: ***Related Party Transactions Policy:*** *Mer.ph/RPTPolicy* 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. Link: ***Related Party Transactions Charter:*** *2017_rptcom_0.pdf (amazonaws.com)* 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**. Link: ***Definitive Information Statement 2024, Certain Relationships and Related Transactions, pages 43 and 44 in relation to Note 23 of the Notes to Consolidated Financial Statement, pages 80-83 (pages 354-357)***, *mer.ph/DIS2024* *Annual Reports (meralco.com.ph)* ***Page 212:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* 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. ***Revised RPT Policy:*** *mer.ph/RPTPolicy* 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.	
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 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.	Compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories Under the RPT Policy and Guidelines approved by the Board on October 29, 2018 as amended in 2019 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: a. The related party's relationship to the Company and interest in the transaction; b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction; c. The purpose and timing of the proposed RPT; d. The benefits to the Company of the proposed RPT; e. The availability of other sources of comparable products or services; and 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. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs. The RPT shall be considered material/significant 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:	

		<table><tr><th>Classification</th><th>Aggregate Transaction Value (12-month period)</th></tr><tr><td>SEC Material Transaction</td><td>10% of the Company's total asset</td></tr><tr><td>Material Transactions</td><td>PhP50 Million and above</td></tr><tr><td>Significant transactions</td><td>PhP30 Million but less than PhP50 Million</td></tr><tr><td>*De Minimis* transactions</td><td>Below PhP30 Million</td></tr></table> Material/significant 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, 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. 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. After review, the RPT Review Team shall report the material/significant RPTs to the RPT Committee for its evaluation, approval and/or endorsement to the Board. Significant RPTs shall require the approval of the RPT Committee while material RPTs shall require endorsement of the RPT Committee and approval by the Board. *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. 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.	

		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: 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; b. The vote of such Director was not necessary for the approval of the contract; 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 d. In the case of a Corporate Officer, the contract has been previously authorized by the Board of Directors. 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. 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. Link: ***RPT Policy, page 2:*** Mer.ph/RPTPolicy	
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. 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. 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 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. 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: 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; b. The vote of such Director was not necessary for the approval of the contract; 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 d. In the case of a Corporate Officer, the contract has been previously authorized by the Board of Directors. 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. 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 be ratified by the vote of stockholders representing at least two-thirds of the outstanding capital stock. Link: RPT Policy, pages 5 to 7: Mer.ph/RPTPolicy	
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. Identity the Management team appointed 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.

Links:
Meralco Website:
Board Committees (meralco.com.ph)

Remuneration and Leadership Development Committee Charter:
mer.ph/RLDCCharter

The following are the members of the Management Team of the Company as provided in the Amended General Information Sheet (GIS) for 2023:

Name	Position
RAY C. ESPINOSA	President and Chief Executive Officer until May 30, 2023
MANUEL V. PANGILINAN	President and CEO from May 30, 2023 to July 1, 2023/ CEO beginning July 1, 2023
SIMEON KEN R. FERRER	Corporate Secretary
RONNIE L. APEROCHO	EVP and COO
ARNEL PACIANO D. CASANOVA	SVP and Chief External and Government Affairs Officer

			FERDINAND O. GELUZ	SVP and Chief Revenue Officer, OIC Subsidiary Businesses		
			WILLIAM S. PAMINTUAN	SVP, Chief Legal Counsel, Assistant Corporate Secretary, Compliance Officer, Head, Legal and Corporate Governance Office		
			BETTY C. SIY-YAP	SVP and Chief Finance Officer		
			MARIA LUISA V. ALVENDIA	First Vice President (FVP), Chief Supply Chain Officer		
			ROQUE D. BACANI	FVP and Head, Information, Communications, Technology and Transformation, Acting Chief Information Security Officer		
			EDGARDO V. CARASIG	FVP and Chief HR Officer and Head, Corporate Services		
			REDEL M. DOMINGO	FVP and Head, MPower		
			MELANIE T. OTEYZA	FVP and Chief Audit Executive		
			CHARINA P. PADUA	FVP and Head, Customer Retail Services		
			ROSS RAYMOND B. RAVELO	FVP and Chief Sustainability Officer and Head, Strategic Business Development		
			FROILAN J. SAVET	FVP and Head, Networks		
			JOSE RONALD VILLA. VALLES	FVP and Head, Regulatory Affairs and		

				Head, DU Regulatory Management		
			ANTONIO M. ABUEL JR.	Vice President (VP) and Head, Facilities, Safety, and Security Management		
			FRANCIS EUSTON R. ACERO	VP and Data Privacy Officer		
			IRENEO B. ACUÑA	VP and Head, Electric Distribution Development Group		
			JOSEPH D. AMOSCO	VP and Head, Energy Management		
			PATRICK DAVE B. BACANI	VP and Head, Sustainability Programs, Reporting and Partnership		
			BENNETTE D. BACHOCO	VP and Head, Financial Planning and Reporting		
			JOSEPH ALLAN C. BALTAZAR	VP and Head, South Distribution Services		
			RITA D. BANTIGUE	VP and Head, HR Business Partner – Subsidiaries		
			SANTE C. BUELLA	VP and Head, Central Distribution Services		
			RICARDO CARMELO D. BUENAFE	VP and Head, Regulatory Compliance		
			ALBERTO N. CASTILLO	VP and Head, Sub-Transmission Services		
			ANTHONY MATTHEW N. CO	VP and Business Development Officer		
			RICARDO L. CONCEPCION	VP and Head, Employee and Labor Relations		

MA. CECILIA M. DOMINGO	VP and Head, Enterprise and National Government
LAWRENCE S. FERNANDEZ	VP and Head, Utility Economics
MARVIN G. GONSALVES	VP and Head, Revenue Assurance and Metering Services
JERRY B. LAO	VP and Head, Central Distribution Services
ERVILLE D. MAGTUBO	VP and Head, Customer Care Group
RODERICK DENNISON N. NACU*	VP and Head, Tariff Management
JOSE S. REYES, JR.	VP and Head, Network Technology and Asset Management
GLEN N. SAN PEDRO	VP and Head, Supply Chain Management
ANDREW JASON B. TAN	VP and Head, DU Business Development Office
JEFFREY O. TARAYAO	VP and Chief Corporate Social Responsibility Officer
MARIA ZARAH R. VILLANUEVA-CASTRO	VP and Head, Corporate Legal Services
AGAPITO D. ZALDARRIAGA	VP and Head, Corporate Communications
MA. CYNTHIA C. SOLUREN	Senior Assistant Vice President, Interim Treasurer and Head, Treasury-Distribution Utility

Links:

		Amended 2023 General Information Sheet, pages 5 to 8: *meralco_2023_amended_gis_-_july_19_2023.pdf (amazonaws.com)* The current composition of the Management Team is published in the Company Website: Management Team and Executive Officers (meralco.com.ph)	
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. Provide information on the assessment process and indicate frequency of assessment of performance. The Board, through the Nomination & Governance Committee and the Remuneration and Leadership Development Committee conducts an annual assessment of the performance of the President and/or CEO, the Chief Risk Officer, Compliance Officer, and the Chief Audit Executive. 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. Links: ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 132, 147, 150-152*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 43, 155-158*** *mer.ph/DIS2024* ***Remuneration and Leadership Development Committee Charter, Article B.2, page 2:*** *mer.ph/RLDCCharter* ***Nomination and Governance Committee Charter*** mer.ph/NomGovCharter	
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. The Company's Revised Manual of Corporate Governance mandates the Board to formulate and to annually review the	

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	Company's mechanism for performance assessment of the Board and Management, principally the President and/or Chief Executive Officer (CEO). 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 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. 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. Performance of the Management and employees is evaluated on a biennial basis based on two critical factors: **GOALS & INITIATIVES (GAINs)** – measures the employee's work accomplishments during the performance period (i.e., individual goals vs. actual work accomplishments); and **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. 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. Link: ***Company Website:***	

		Employee Development and Engagement (meralco.com.ph) 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. Link: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 217:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 132, 147, 150-152*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 43, 155-158*** *mer.ph/DIS2024*	
Recommendation 2.10			
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	

		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. Links: ***Revised Manual of Corporate Governance, Section 4.11.6, page 41:*** mer.ph/CGManual ***Audit Committee Charter:*** mer.ph/AuditComCharter	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	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. Links: ***Meralco website:*** Company's Policies (meralco.com.ph) ***Management Control Policy*** img-610131619-0001.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) ***Code of Ethics, Section 5.4, pages 6-10:*** https://mer.ph/COEthics ***Conflict of Interest Policy*** mer.ph/COI2012	

3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter On February 25, 2022, the Board approved a revised Internal Audit Charter which remains effective to date. Link: ***Revised Internal Audit Charter (2022):*** mer.ph/AuditComCharter	
Recommendation 2.11			
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. Provide proof of effectiveness of risk management strategies, if any. 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 • identification, assessment, evaluation and mitigation of risks or exploitation of opportunities; • definition of management responsibilities and accountabilities; and • escalation and reporting of company's key enterprise risks.	

		The risk management strategies were shown to be effective in the light of the operational and regulatory challenges brought about by the Covid-19 pandemic. These were detailed in the Annual Report, particularly in the Message of the Chairman of the Board and President and CEO. Links: ***Meralco Website:*** Enterprise-Wide Risk Management (meralco.com.ph) ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Pages 221-222:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 155-157 (Sustainability Report section of the Annual Report, pages 74-76*** *mer.ph/2023AR_17A* The Board, through the Risk Management Committee, oversees the Enterprise-Wide Risk Management framework, identifies and assesses top risks and reviews the effectiveness of risk mitigation strategies and treatment plans developed by management. Links: ***SEC Form 17-A Annual Report, pages 155-157 (Sustainability Report section of the Annual Report, pages 62, 74-76*** *mer.ph/2023AR_17A*	

		Board Committees (meralco.com.ph) ***Risk Management Committee Charter:*** 1433818851.5ae6b5b5cf0bc3f510ed8e4768c9da92_2.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) 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. Enterprise-Wide Risk Management (meralco.com.ph)	
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	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. 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 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. Link: ***Enterprise-Wide Risk Management:*** Enterprise-Wide Risk Management (meralco.com.ph)	
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. 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 ("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. 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. Link: ***Board Charter*** Mer.ph/BoardCharter	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	The Board Charter serves as a guide to the directors in the performance of their functions, setting their individual 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. Links: ***Board Charter*** Mer.ph/BoardCharter ***Revised Manual of Corporate Governance:*** mer.ph/CGManual ***By-Laws:*** by-laws.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) ***Board Committee Charters:*** Board Committees (meralco.com.ph)	
3. Board Charter is publicly available and posted on the company's website.	Compliant	The Board Charter is uploaded in the Company Website with the following links: Links: ***Board Charter*** Mer.ph/BoardCharter ***Meralco website:*** Board Matters (meralco.com.ph)	
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. 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 transparency. This Policy took effect on July 1, 2014. Link: ***Insider Trading Policy:*** 1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com)	
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. 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. Link: ***Article VII of the Revised Related Party Transactions Policy, page 13:*** Mer.ph/RPTPolicy	
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.	

		The Board decides on the Company's major projects and policy decisions, business plan and annual budgets and major investment funding. In 2023, the Board's major accomplishments included the following: **Major Projects/Policy Decisions** • Evaluation of compliance to the SEC Revised Code of Corporate Governance • Approval of the Integrated Annual Corporate Governance Report (I-ACGR) • Review and approval of the Code of Business Conduct and Ethics for Vendors (formerly Suppliers Business Conduct Policy) • Review and approval of the RPT Policy Guidelines • Review and approval of the Finance Committee Charter • Review and approval of the Remuneration and Leadership Development Committee Charter • Review and approval of the Speak Out Policy (formerly Whistleblowing Policy) • Screening of nominees to the Board • Conduct of the 2023 ASM • Approval of 2024 schedule of Board meetings • Review and approval of the board committee composition • Evaluation of compliance to ERC requirements • Review and approval of business separation and unbundling plan reports • Review and approval of public-private partnerships • Approval of construction, development, and commissioning of substation assets • Review and approval of Emergency Power Supply Agreement (EPSA)	

		• 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 • Approval of Audited Financial Statements • Evaluation of incumbent external auditor and nomination of external auditor for 2023 • Approval of report of external auditors covering the Company's Audited Financial Statements • Approval of dividend declaration • Review and approval of material RPTs • Enterprise performance evaluation and assessment • Performance assessment of the Board, Board Committee, and President and CEO • Review and approval of rank conferment and appointment of officers • Review and approval of executive promotions, rightsizing policy and succession planning • Review and approval of employee performance management plan • Review and approval of various supply contracts in excess of PHP 50 million **Business Plan and Annual Budgets** • Review and approval of the 202e budget • Monitoring of investment committee report • Review and approval of corporate strategic objectives • Monitoring of the implementation of corporate strategies • Review of forecast of subsidiaries' projects **Major Investment Fundings** • Infusion of equity to subsidiaries • Renewal of credit lines, credit facilities, and bonds These are disclosed in the ***Annual Report,***	

		Annual Reports (meralco.com.ph) **Page 196:** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Definitive Information Statement 2024, List of Acts of the Board, Annex B, pages 1-4*** mer.ph/DIS2024	
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. 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. Currently, there are eight (8) standing Board Committees: • Executive Committee; • Nomination and Governance Committee; • Audit Committee; • Risk Management Committee;	

		• Remuneration and Leadership Development Committee; • Finance Committee; • Related Party Transactions Committee • Sustainability Committee Links: ***SEC Form 17-A Annual Report, pages 144-145*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 150*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Pages 197-204:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Meralco Website:*** Board Committees (meralco.com.ph)	
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. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. 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 1. review with Management and the external auditors the results of the audit of the financial statements and evaluation of internal accounting controls; 2. 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 3. Monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities. Links: ***Audit Committee Charter:*** mer.ph/AuditComCharter ***Meralco Website:*** Board Committees (meralco.com.ph)	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of	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

whom, including the Chairman is independent.			financial reporting, internal control system, internal and external audit processes, and compliance with laws and regulations. The Audit Committee is composed of seven (7) appropriately qualified non-executive directors. The Chairman and two other members are Independent Directors while the remaining members of the Audit Committee are all non-executive directors. Ms. Anabelle Chua, who served as director and member of the until May 30, 2023, has over 20 years of experience in the areas of accounting, corporate finance, treasury, financial control and credit risk management. Links: The members of the Audit Committee, including their qualifications and type of directorship are stated in the Company Website: Board Committees (meralco.com.ph) **Profile of Directors:* ***Meralco Website:*** Https://mer.ph/BODirectors ***Definitive Information Statement 2023, page 31:***

			mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 42, 159*** mer.ph/DIS2024
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. 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. Link: ***Meralco website:*** Board Committees (meralco.com.ph) **Profile of Directors:* ***Meralco Website:*** Https://mer.ph/BODirectors ***Definitive Information Statement 2023, page 35:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 42, 159*** mer.ph/DIS2024	
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 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: Link: ***Meralco Website:*** Board Committees (meralco.com.ph) **Profile of Directors:* ***Meralco Website:*** Https://mer.ph/BODirectors ***Definitive Information Statement 2023, page 35:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 42, 159*** *mer.ph/DIS2024*	
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. 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 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. In 2023, 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. Link: The terms of engagement, scope of services and fees of the external auditors were reviewed and approved by the Audit Committee as shown in the following: ***Definitive Information Statement 2024*, *pages 42, 159*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Pages 203, 227-228:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 153-155*** ***(Sustainability Report Section of the Annual Report, pages 61-62*** *mer.ph/2023AR_17A* ***Meralco Website:*** Board Committees (meralco.com.ph)	

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. The Audit Committee holds executive sessions with the External Auditors without the presence of Management. On December 07, 2023, 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. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 203:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 153-155 (Sustainability Report Section of the Annual Report, pages 61-62*** *mer.ph/2023AR_17A* ***Meralco Website:*** Internal Controls and Audit (meralco.com.ph) Board Committees (meralco.com.ph)	

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 The Audit Committee had six (6) meetings in 2023. Links: ***Meralco Website:*** Board Committees (meralco.com.ph) ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 203:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 153-155 (Sustainability Report Section of the Annual Report, pages 61-62*** *mer.ph/2023AR_17A*	
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. 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. 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. Links: ***Audit Committee Charter:*** mer.ph/AuditComCharter ***Definitive Information Statement 2018 (SEC Form 20-IS), List of Acts of the Meralco Board:*** meralco_2019_definitive_information_statement.pdf (amazonaws.com) ***Definitive Information Statement 2024, page 159*** *mer.ph/DIS2024*	
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 Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable. 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 programs for continuing education of the Board.	

		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. Links: ***Revised Nomination and Governance Committee Charter:*** Mer.ph/NomGovCharter ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Pages 201-202:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, pages 60-61*** *mer.ph/2023AR_17A*	
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 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. Link: ***Meralco Website:*** Board Committees (meralco.com.ph) **Profile of Directors:* ***Meralco Website:*** Https://mer.ph/BODirectors ***Definitive Information Statement 2023, page 35:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, page 150*** *mer.ph/DIS2024* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, pages 60-61*** *mer.ph/2023AR_17A*
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. The chairman of the Nomination and Governance Committee, Mr. Pedro Emilio O. Roxas, is an Independent Director. Links:	

		Meralco Website: Board Committees (meralco.com.ph) ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 201:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, pages 60-61*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 17, 150*** *mer.ph/DIS2024*	
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. The Nomination and Governance Committee met four (4) times in 2023. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 202:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, pages 60-61*** *mer.ph/2023AR_17A* **Meralco Website:** Board Committees (meralco.com.ph)	

Recommendation 3.4			
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 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. Link: ***Risk Management Committee Charter:*** Risk Management Committee Charter.pdf (amazonaws.com)	
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. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 203:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, page 62*** *mer.ph/2023AR_17A*

			Meralco Website: Board Committees (meralco.com.ph) **Profile of Directors:* ***Meralco Website:*** Https://mer.ph/BODirectors
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 The Chairman of the Risk Management Committee, Mr. Frederick D. Go, is not the Chairman of the Board or of any other committee. Link: ***Meralco Website:*** Board Committees (meralco.com.ph) ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, page 62*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2023, page 5-18, 35:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, page 42*** *mer.ph/DIS2024*	
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.	

		Ms. Anabelle L. Chua, one of the members of the Risk Management Committee until May 30, 2023, has over 20 years of experience in the areas of accounting, corporate finance, treasury, financial control and credit risk management. Ms. June Cheryl A. Cabal-Revilla, who was appointed on May 30, 2023 as the new member of the Risk Management Committee also 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. Links: ***Profile of Ms. Anabelle L. Chua:*** 03082017_bodanabellechua.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) ***Profile of Ms. June Cheryl A. Cabal-Revilla*** Microsoft Word - JUNE CHERYL A. CABAL-REVILLA (amazonaws.com) ***Company Website:*** Board Committees (meralco.com.ph) ***Definitive Information Statement 2023, pages 10-11:*** mer.ph/DIS2023	

		Definitive Information Statement 2024*, *pages 8-9 *mer.ph/DIS2024*	
Recommendation 3.5			
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. 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. Link: ***Related Party Transactions Committee Charter:*** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf?null	
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. 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. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 204:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 144-145 (Sustainability Report Section of the Annual Report, page 63*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 42 and 57*** *mer.ph/DIS2024* ***Meralco Website:*** Board Committees (meralco.com.ph)	
Recommendation 3.6			
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. 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. Link:	

		Meralco Website: Board Committees (meralco.com.ph) ***Executive Committee Charter:*** Executive Committee Charter.pdf (amazonaws.com) ***Nomination and Governance Committee Charter:*** Mer.ph/NomGovCharter ***Audit Committee Charter:*** mer.ph/AuditComCharter ***Risk Management Committee Charter:*** Risk Management Committee Charter.pdf (amazonaws.com) ***Remuneration and Leadership Development Committee Charter:*** Remuneration and Leadership Development Committee Charter.pdf (amazonaws.com) ***Finance Committee Charter:*** Finance Committee Charter_1.pdf (amazonaws.com) ***Related Party Transactions Committee Charter:*** RPT Committee Charter.pdf (amazonaws.com)	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	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. Links:	

		Meralco Website: Board Matters (meralco.com.ph) Board Committees (meralco.com.ph) ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 197:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 132, 150-151 (Sustainability Report Section of the Annual Report, page 60, 64 and 65*** *mer.ph/2023AR_17A*	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed. The Committee Charters are all uploaded to the Company Website. Link: ***Meralco Website:*** Board Committees (meralco.com.ph)	
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. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings. 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. 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 2020 on the guidelines for remote participation in corporate meetings in support of an expanded community quarantine to contain the coronavirus (COVID-19) pandemic. Mer.ph/BoardCharter Other information on the attendance and participation of directors to Board, Committee and shareholders' meetings can be found in the following: ***Meralco Website(Board Meeting):*** Board Matters (meralco.com.ph) ***By-Laws, Article II, Section 4, pages 10:***	

		sec_ctc_meralco_amended_by-laws_19dec2018.pdf (amazonaws.com) ***Board Charter, Article XIV, pages 15 and 16:*** Mer.ph/BoardCharter ***Revised Manual of Corporate Governance:*** mer.ph/CGManual 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. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***SEC Form 17-A Annual Report, page 131 (Sustainability Report Section of the Annual Report, pages 55 and 57*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph)	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	In accordance with Section 4.1.2.4.1 (page 13) 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.	

		Links: ***Meralco website:*** Board Matters (meralco.com.ph) ***Revised Manual of Corporate Governance:*** mer.ph/CGManual	
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 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. Link: ***Meralco Website:*** Board Matters (meralco.com.ph)	
Recommendation 4.2			
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. 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.

			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. 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. 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. Accordingly, in 2023, most of the directors attended all the scheduled board meetings.

			Links: ***Board Charter*** Mer.ph/BoardCharter ***Meralco Website:*** Board Matters (meralco.com.ph) ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Pages 234-237:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 131 (Sustainability Report Section of the Annual Report, pages 57*** *mer.ph/2023AR_17A* The directorships of the directors in both listed and non-listed companies are stated in the Definitive Information Statement (DIS) 2023 and 2024: ***Definitive Information Statement 2023, pages 5-18:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 6-18*** *mer.ph/DIS2024*
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. 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. Link: ***Board Charter, Section IX (e):*** Mer.ph/BoardCharter 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. Link: ***Conflict of Interest Policy*** 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	Prior to the May 30, 2023 annual stockholders meeting, the only executive director in the Board is the Company's President and CEO, Atty. Ray C. Espinosa who does not serve in more than two boards of listed companies outside the group. Mr. Manuel V. Pangilinan who succeeded Atty. Espinosa as CEO of the Company does not also serve in more than two boards of listed companies outside of the group. The directorships of the directors in both listed and non-listed companies are stated in the Definitive Information Statement (DIS) 2023 and 2024: ***Definitive Information Statement 2023, pages 5-18:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 6-18*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 234:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Board, as part of the agenda of its meeting on November 28, 2022 approved the schedule of 2023 Board meetings. Link: ***Meralco website:*** Board Matters (meralco.com.ph)	

		Annual Report Annual Reports (meralco.com.ph) ***Page 195:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Definitive Information Statement 2023*, Annex B, *List of Acts of the Board, page 5*** mer.ph/DIS2023 ***SEC Form 17-A Annual Report (Sustainability Report Section of the Annual Report, pages 54-55*** mer.ph/2023AR_17A	
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 The Board met thirteen (13) times in 2023. 2023 Annual Stockholders' Meeting and Board Meeting Attendance are disclosed in the Annual Report and in the Company Website. Links: ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 195:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***SEC Form 17-A Annual Report, pages 131-132*** mer.ph/2023AR_17A ***Definitive Information Statement 2024*, page 42** mer.ph/DIS2024 ***Meralco website:*** Board Matters (meralco.com.ph)	

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. Nevertheless, consensus among directors for most if not all resolutions are reached through open, transparent, and vigorous discussions. Based on the 2023 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.** 2023 Board Committee Meeting Attendance is stated in the ***Definitive Information Statement, page 35:*** ***SEC Form 17-A Annual Report, pages 131-132*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 42*** *mer.ph/DIS2024*

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. In 2023, out of 11 directors, three (3) are independent directors, only one (1), the CEO is executive director, while the remaining seven (7) are all non-executive directors. Link: ***Meralco website:*** Https://mer.ph/BODirectors
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. 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. Links:	

		*Profiles of the independent directors ***Definitive Information Statement 2023,*** ***Lydia Echauz, page 14-15*** ***Artemio Panganiban, page 15-16;*** ***Pedro E. Roxas, page 16:*** mer.ph/DIS2023 ***Definitive Information Statement 2024,*** ***Lydia Echauz, page 9-10*** ***Artemio Panganiban, page 16-17;*** ***Pedro E. Roxas, page 17:*** *mer.ph/DIS2024*, The qualifications and disqualifications of the independent directors are stated in Section 4.1.1.3 and Section 4.5.2 of the Revised Manual of Corporate Governance (pages 7-10 and 31-34): mer.ph/CGManual	
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. The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. Links: *Board Independence: Https://mer.ph/BODirectors	

Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Not 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. 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 election in 2023 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 2023 to ASM 2024) constitutes their 11th year of being independent directors reckoned from 2012. Nonetheless, in the 2023 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. Links: ***Meralco website (Independent Directors):*** Board Matters (meralco.com.ph) Said profile and qualifications as well as the years the independent directors serve years as such are likewise reflected in the 2023 Definitive Information Statement: ***SEC Form 17-A Annual Report, page 144*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 38-41*** *mer.ph/DIS2024*

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide an information or link/reference to document containing information on the company's policy on term limits for its independent director 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. 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. Link: ***Revised Manual of Corporate Governance, Section 4.5.2.2, page 33:*** mer.ph/CGManual	
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. 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. 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 in the website. The election in 2023 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 2023 to ASM 2024) constitutes their 11th year of being independent directors reckoned from 2012. Nonetheless, in the 2023 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. Links: ***Meralco website (Independent Directors):*** Board Matters (meralco.com.ph) ***SEC Form 17-A Annual Report, page 144*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 38-41*** *mer.ph/DIS2024* ***Revised Manual of Corporate Governance, Section 4.5.2.2, page 33:*** *mer.ph/CGManual*	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Not Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	The Company is partially compliant with the recommendation. Until May 30, 2023 Annual Stockholders' Meeting, the Company's Chairman was Mr. Manuel V. Pangilinan and the President and CEO was Atty. Ray C. Espinosa as disclosed in the General Information Sheet. After said Annual Stockholders' Meeting, Mr. Manuel V. Pangilinan also took the role of CEO but 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. Link: **Amended 2023 General Information Sheet:** *meralco_2023_amended_gis_-_july_19_2023.pdf (amazonaws.com)* ***Revised Manual of Corporate Governance, Section 4.5.3, page 33:*** *mer.ph/CGManual* ***SEC Form 17-A Annual Report, page 141*** *mer.ph/2023AR_17A*
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. 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. Links:	

		Revised Manual of Corporate Governance, pages 16-17 for the Chairman and pages 35-36 for the CEO: mer.ph/CGManual Prior the 2023 ASM, the Company's Chairman is Mr. Manuel V. Pangilinan and the President and CEO is Atty. Ray C. Espinosa as disclosed in the General Information Sheet. Link: **Amended 2023 General Information Sheet:** meralco_2023_amended_gis_-_july_19_2023.pdf (amazonaws.com)	
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. 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. Considering that the Chairman of the Board is not an independent director, the appointment of a Senior or Lead Independent Director was endorsed 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. As Lead ID, he has the following functions: a. To serve an intermediary between the Chairman and the other directors when necessary; b. To convene and chair meeting of the non-executive directors; and c. To contribute to the performance evaluation of the Chairman, as required. The Lead Independent Director will not, however, act as Chairman in the absence of the Chairman, the same having been delegated to the Vice-Chairman. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 233*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 146-147*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph) ***Section 4.5.4 (page 33) of the Revised Manual of Corporate Governance:***	

		mer.ph/CGManual	
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 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. Link: ***Revised Code of Ethics, Section 5.4 (page 6-10):*** https://mer.ph/COEthics Except with respect to the Related Party Transactions as discussed in Note 23 to the consolidated financial statements as at December 31, 2023 and 2023 and for each of the three (3) years ended December 31, 2023, there was no transaction during the last three (3) years 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. In 2023, the list of material RPTs in Note 23 does not include any transaction where a director has material interest that would affect the corporation and require his abstention.	

		Definitive Information Statement 2024, Certain Relationships and Related Transactions, pages 43 and 44 in relation to Note 23 of the Notes to Consolidated Financial Statement, pages 80-83 (pages 354-357), *mer.ph/DIS2024*	
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. 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. On 07 December 2023, the Audit Committee held 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. Links: ***Annual Report, Report of the Audit Committee:*** *Annual Reports (meralco.com.ph)* ***Page 203:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	

		SEC Form 17-A Annual Report, page 153 *mer.ph/2023AR_17A* ***Meralco website (Board Committees):*** Board Committees (meralco.com.ph)	
2. The meetings are chaired by the lead independent director.	Compliant	The meetings 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. ***Annual Report, Report of the Audit Committee:*** *Annual Reports (meralco.com.ph)* ***Page 203:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 153*** *mer.ph/2023AR_17A*	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Not compliant	Provide name/s of company CEO for the past 2 years	Until May 30, 2023 annual stockholders meeting, the only executive director in the Board was Atty. Ray C. Espinosa who was the President and CEO of the Company and has been holding said position since May 2019. After said Annual Stockholders' Meeting, Mr. Manuel V. Pangilinan

			also took the role of CEO but 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. Link: **Amended 2023 General Information Sheet:** *meralco_2023_amended_gis_-_july_19_2023.pdf (amazonaws.com)* ***Revised Manual of Corporate Governance, Section 4.5.3, page 33:*** *mer.ph/CGManual* ***SEC Form 17-A Annual Report, page 141*** *mer.ph/2023AR_17A*
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 The Board conducts an annual self-assessment of its performance as a whole. The Board conducted the assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties. The Corporate Secretary hereby attests that such annual self-assessment for the 2022 Board Performance was conducted by the Board from February 24 to March 24, 2023, and for 2023 Board Performance, from February 26 to March 14, 2024 Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph)	

2. The Chairman conducts a self-assessment of his performance.	Compliant	The Chairman conducts a self-assessment of his performance. The Chairman of the Board hereby attests that such annual self-assessment was conducted from February 24 to March 24, 2023 for 2022 performance, and for 2023, from February 26 to March 14, 2024. Links: ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph)	
3. The individual members conduct a self-assessment of their performance.	Compliant	The individual members conduct a self-assessment of their performance. The Corporate Secretary hereby attests that such annual self-assessment was conducted from February 24 to March 24, 2023 for 2022 performance, and for 2023, from February 26 to March 14, 2024. Links: ***Annual Report:*** *Annual Reports (meralco.com.ph)*	

		Page 208: *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph)	
4. Each committee conducts a self-assessment of its performance.	Compliant	Each committee conducts a self-assessment of its performance. The Corporate Secretary hereby attests that such annual self-assessment was conducted from February 24 to March 24, 2023 for 2022 performance, and for 2023, from February 26 to March 14, 2024. Links: ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A* ***Meralco website:*** Board Matters (meralco.com.ph)	
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. In 2023, the Company engaged the services of the Good Governance Advocates and Practitioners of the Philippines (GGAPP) to	

		support the evaluation process for the the 2022 Board, Committee, and Key Officers' performance assessment. Copy of the GGAPP Assessment Report is hereto attached (Annex A). Links: ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A* ***Meralco website:*** https://company.meralco.com.ph/corporate-governance/corporate-governance-in-meralco	
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 The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties. The Board conducted the performance assessment on February 24 to March 24, 2023 for 2022 performance, and for 2023, from	

		February 26 to March 14, 2024. through employment of the following assessment forms, with the following processes and criteria: 1.**Collective Board Assessment** - each director assessed the board performance as a whole based on the following categories: a) Board composition; b) Board efficiency and performance; c) Board meetings and participation. **2. Individual Director Self-Rating –** each director evaluated their performance for the previous year. **3. Board Committee Assessment –** each director assessed the overall performance of the board committees as well as the individual board committees based on the provisions of Board Committee Charters. 4. **Key Officer Ratings –** each director assessed the performance of the President and CEO, Chief Compliance Officer Chief Risk Officer, and Chief Audit Executive. In addition, the Chairman participated in the self-assessment of his performance in the previous year. Links: ***Meralco website (Board Matters):***	

		Board Matters (meralco.com.ph) ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 208:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 150-151*** *mer.ph/2023AR_17A*	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The Company Website (http://www.meralco.com.ph/), has a section, "Contact Us" that can be used by all stakeholders, including shareholders, in sending feedback, complaints or inquiries: The Company website https://company.meralco.com.ph/investor-relations/shareholders-information also provides the contact information of Corporate Compliance (formerly Stockholder Affairs) as well as the Stock Transfer Agent: **Corporate Compliance (formerly Stockholder Affairs)** G/F, Lopez Building, Meralco Center, Ortigas Avenue, Brgy. Ugong, Pasig City, 1605 Philippines **Tel. No.:** **COMMON:** (632) 8632-8884, (632) 8632-8883,	

		(632) 8632-8765 **PREFERRED:** (632) 8632-8616, (632) 81622-2183 **Fax No.:** (632) 632-8885 **E-mail:** corporate.compliance@meralco.com.ph **TRANSFER AGENT** RCBC Stock Transfer, G/F Grepalife Building 221 Sen. Gil Puyat Avenue corner Pasong Tamo St., Makati City **Telephone numbers:** (632) 88924197 - (Larnie Mari Vida / Irene Columbres) (632) 88949000 local 3694 - (Diane Laxamana) (632) 88949000 local 3692 - (Joey Bonoan) (632) 88927566 - (Dyan Del Castillo) **E-mail:** rcbcstocktransfer@rcbc.com abmadrid@rcbc.com joscruz@rcbc.com Company Contact details are likewise reflected in the Annual Report.	

		Feedback from shareholders, if any, may be raised during the Nomination and Governance Committee meeting together with the performance assessments results or during the Annual Stockholders Meeting. Link: ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 258:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***SEC Form 17-A Annual Report, page 165*** mer.ph/2023AR_17A ***Meralco website:*** Shareholders Information (meralco.com.ph)	
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 internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. The Company's Code of Business Conduct and Ethics (Revised Code of Ethics) prescribes the ethical values and behavioral standards, which all directors, officers, and employees of the Company are required to observe in the performance of their respective duties and	
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		

		responsibilities. The Revised Code of Ethics also provides for the ethical standards to be observed by all directors, officers, and employees in their relationships among themselves and in dealing with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public. Link: ***Revised Code of Ethics:*** https://mer.ph/COEthics Copies of the Revised Code of Ethics are disseminated to all directors, officers and employees, posted in the Company's internal program—the MyHRExpress facility, and explained to the directors, officers and employees during onboarding or orientation programs and seminars. It is also uploaded to the Company Website. Link: ***Meralco website:*** Revised Code of Ethics (meralco.com.ph) ***Annual Report,*** *Annual Reports (meralco.com.ph)* ***Page 218:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 163-164*** ***(Sustainability Report Section, pages 72-73)***	

		mer.ph/2023AR_17A	
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 On February 26, 2018, the Company formalized its anti-corruption policy and program through an Anti-Bribery and Corruption Policy approved by the Board aiming to curb and penalize company involvement in offering, paying, and receiving bribes. Link: ***Anti-Bribery and Corruption Policy*** *Anti-Bribery and Corruption Policy.pdf (amazonaws.com)* The Company's Anti-Bribery and Corruption Policy and Program is also embodied in Section 5.1.3 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. https://mer.ph/COEthics	

		The Company's anti-corruption policy is reinforced by the following policies: 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. Mer.ph/COI2012 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. Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com) C. **Amended Suppliers Business Conduct** 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. Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com) Violations of these policies are penalized in the Company's Code on Right Employee Conduct. These policies are uploaded to the Company Website. Link: ***Meralco website:*** Other Policies (meralco.com.ph)	
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. The Company's Code of Business Conduct and Ethics (Code of Ethics) prescribes the ethical values and behavioral standards, which all directors, officers, and employees of	

		the Company are required to observe in the performance of their respective duties and responsibilities. The Board through the Nomination and Governance Committee and the Company's Corporate Governance Office has the specific task of implementing and monitoring corporate governance policies, including the Code of Ethics, throughout the organization and the definition of the process by which such policies are implemented and monitored. Reports of the same are made to the Nomination and Governance Committee and the Board. The Revised Code of Ethics provides for specific guidelines on the implementation and monitoring of compliance. The Company's Internal Audit Office audits the compliance of directors, officers, and employees to the Code of Ethics and other corporate governance related policies, including required Company disclosures. The result of the Internal Audit review is reported to the Audit Committee which endorses the same to the Board for direction. The process of implementing and monitoring compliance with the Code of Ethics is disclosed in the Annual Report while the Code of Ethics is uploaded to the Company Website.	

		Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 218:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Revised Code of Ethics, Section 6, page 12:*** https://mer.ph/COEthics ***Revised Internal Audit Charter***: mer.ph/AuditComCharter	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The Company's Corporate Governance Office has the specific task of implementing and monitoring corporate governance policies, including the Code of Ethics, throughout the organization and the definition of the process by which such policies are implemented and monitored and reports the same to the Nom&Gov Committee. As provided in the Annual Report, the Company's Internal Audit Office audits the compliance of directors, officers, and employees to the Code of Ethics and other corporate governance related policies, including required Company disclosures. The result of the Internal Audit review is reported to the Audit Committee. Policies are uploaded to the Company Website.	

		Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 227:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 153-154*** *mer.ph/2023AR_17A* **Meralco website:** Other Policies (meralco.com.ph) ***Revised Internal Audit Charter***: https://mer.ph/AuditComCharter	
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 The Company, has always endeavored to faithfully comply with the disclosure and reportorial requirements of SEC, PSE, Philippine Dealing & Exchange Corp. (PDEx), and other relevant regulatory bodies. The Company's policies embody an utmost respect to the right of the minority shareholders while pursuing corporate interest. This includes the timely, fair, and accurate disclosure of material information. Link:	

		Annual Report *Annual Reports (meralco.com.ph)* ***Pages 213 and 231*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, page 140*** *mer.ph/2023AR_17A* The Company reports its quarterly and full year financial results through the SEC, PSE and PDEx to provide the shareholders, the investors, and the public a balanced and informed assessment of the Company's performance, position, and prospects. Quarterly Reports/ Financial Results: Quarterly Reports (meralco.com.ph) Annual Reports: Annual Reports (meralco.com.ph) These and other corporate disclosures and procedures are found in the Company website: ***Meralco website:*** Compliance and Performance (meralco.com.ph) SEC and PSE Filings (meralco.com.ph) Section 5.1 of the Revised Code of Ethics, all directors, officers and employees are enjoined to comply with all laws, rules and regulations governing the business operations	

		of the Company and enfranchising its corporate existence, listing in the stock exchange, and utility operations. In the performance of their duties, all directors, officers and employees shall, at all times, be aware of and adhere to the requirements and restrictions imposed by laws, rules and regulations and the Company's standards, policies, rules and procedures. Link: ***Revised Code of Ethics, Section 5.1, page 4:*** https://mer.ph/COEthics	
Supplement to Recommendations 8.1			
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. Company distributes or makes available annual consolidated reports, cash flow statements, and special audit revisions. The Company's 2023 Audited Consolidated Financial Statements were released on February 29, 2024, sixty (60) days after financial year-end. Links: ***2023 Consolidated Financial Results of the Company:*** *msrd_manila_electric_company_sec_17c_2023_consolidated_afs_29_feb_2024.pdf (amazonaws.com)*	

		2023 Quarterly reports are likewise disclosed and published within forty-five (45) days from reporting period: 1st Quarter: manila_electric_company_sec_form_17-q_-_may_15_2023.pdf (amazonaws.com) 2nd Quarter: 4. sec_form_17-q_sec_1h_2023.pdf (amazonaws.com) 3rd Quarter: 6. sec_form_17-q_3q_2023.pdf (amazonaws.com) These interim reports and the 2023 Audited Consolidated Financial Results of the Company are disclosed in the Company Website: Quarterly Financial and Operating Reports (meralco.com.ph) SEC and PSE Filings (meralco.com.ph)	
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; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	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. The complete list of the Public Ownership Report of Meralco as at December 31, 2023 was disclosed to the SEC, PSE, and PDEx on January 9, 2024, where approximately 73.83% of the Company shares are held by principal and strategic shareholders, and the	

		remaining 26.11% shareholdings are held by directors, officers, employees, the government, other corporations, and other individuals. The Company has a straightforward structure of alliance among its affiliates, and joint ventures, with no joint-holding or cross-holding of shares. There is no pyramid shareholding structure within the Group. There is also an equitable treatment of all shareholders. The Company's policies embody an utmost respect to the right of the minority shareholders while pursuing corporate interest. In this light, the Company ensures: i) The timely, fair, and accurate disclosure of material information; ii) The 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; iii) That RPTs are disclosed in the Company's Notes to financial statements; and iv) That Disinterested shareholders decide on all RPTs which require shareholders' approval. Links: ***MER Public Ownership Report December 2023*** *manila_electric_company_por_31_dec_2023.pdf (amazonaws.com)* ***Audited Financial Statement:***	

		msrd_manila_electric_company_sec_17c_2023_consolidated_afs_29_feb_2024.pdf (amazonaws.com) ***Annual Report:*** Annual Reports (meralco.com.ph) ***SEC Form 17-A Annual Report, page 160*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 423-424; Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map):*** *mer.ph/DIS2024*	
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. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction. Insider Trading Policy regulates trading of shares by Company directors, executives, officers and employees with direct access to unpublished information relating to the Company's financial and operating results, in the interest of CG and transparency. All Directors and Key Officers of the Company are required to disclose/report to the company any dealings in the company's shares not later than one (1) trading day after the event occurrence. This policy took effect on December 1, 2014. An earlier version of the Policy took effect on July 16, 2010.	

		Link: ***Insider Trading Policy:*** 1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf (meralcomain.s3-ap-southeast-1.amazonaws.com) The actual dealings of the directors and officers for Y2023 are reported to the SEC through Statement of Beneficial Ownership of Securities (23-A) and published in the Company Website: SEC and PSE Filings (meralco.com.ph) The list of actual dealings in 2023 of directors and officers involving the corporation's shares including their nature, and number/percentage is stated in the ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 212:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 137-139 (Sustainability Report section of the Annual Report, pages 76-78)*** *mer.ph/2023AR_17A*	
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	Insider Trading Policy regulates 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 CG and transparency. All Directors and Key Officers of the Company are required to disclose/report to the company any dealings in the company's shares **not later than one (1) trading day after the event occurrence.** his policy took effect on December 1, 2014. An earlier version of the Policy took effect on July 16, 2010. Link: ***Insider Trading Policy:*** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf?null	
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. 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 of Company shares are regularly posted in the Company Website. The company's Conglomerate Map is published in the Annual Report as well as in the Definitive Information Statement.	

		Links: ***Annual Report*** Annual Reports (meralco.com.ph) ***SEC Form 17-A Annual Report, pages 137-139 (Sustainability Report section of the Annual Report, pages 76-78)*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 423-424; Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map):*** *mer.ph/DIS2024* ***List of Top 100 Stockholders as at December 31, 2022:*** *top_100_as_of_december_31_2023.pdf (amazonaws.com)* ***MER Public Ownership Report December 2023*** *manila_electric_company_por_31_dec_2023.pdf (amazonaws.com)*	
Recommendation 8.3			
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. 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, the Definitive Information Statement, and the Company Website.	

		Links: ***Meralco website:*** Https://mer.ph/BODirectors ***Annual Report*** Annual Reports (meralco.com.ph) ***Definitive Information Statement 2023, pages 5-18:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, pages 6-18*** *mer.ph/DIS2024*	
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. Relevant and material information on key executives are disclosed in the Company's Definitive Information Statement, and the Company Website. Links: ***Definitive Information Statement 2023, pages 18-30:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, pages 18-37*** *mer.ph/DIS2024* ***Annual Report*** Annual Reports (meralco.com.ph)	
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 The Company's directors receive a per diem for their attendance in the Board and Board Committee meetings. In 2013, the shareholders approved an additional remuneration for the Board, which could be in the form of a fixed retainer, bonus or stock grant or a combination thereof, as may be approved by the Board. The total value of such additional compensation, in whatever form so given, shall not exceed one percent (1%) of the income before tax of the Company during the preceding year. The rationale of such additional remuneration of directors is to recognize the invaluable services rendered by the Company's directors in profitably steering the business affairs of the Company, which has produced record highs in financial performance over the past four years. The role and responsibility of directors is critical in the success, accomplishments, and profitability of the Company. It is for this reason that the approval for additional remuneration for directors was sought. In line with the said rationale, during its 25 October 2013 meeting, the Board approved the provision of additional and performance-	

		based remuneration in the form of a Stock Grant (""Grant""). The Company's directors receive per diem fees for their attendance to Board and Board Committee meetings. In 2022, each director is entitled to a per diem allowance of PhP140,000 for every board meeting attended and PhP24,000 for every committee meeting. The Board remuneration in 2023 is disclosed in the Company's Annual Report. Link: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 200:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 134-135*** *mer.ph/2023AR_17A*	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration 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).	

		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. 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. 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. Link: ***SEC Form 17-A Annual Report, pages 149-150, Note 26, pages 92-93)*** *mer.ph/2023AR_17A* ***Annual Report***	

<table>
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<td>Annual Reports (meralco.com.ph)
Page 217: meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)</td>
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<tr>
<td>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</td>
<td>Compliant</td>
<td>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.

The remunerations of directors and executives are disclosed in the Annual Report, including Board remuneration on an individual basis.
<table>
<tr><th></th><th>Remuneration for Board Meetings Attended in 2023</th><th>Remuneration for Committee Meetings Attended in 2023</th><th>TOTAL</th></tr>
<tr><td>EXECUTIVE DIRECTOR</td><td></td><td></td><td></td></tr>
<tr><td>Manuel V. Pangilinan[19]</td><td>₱1,960,000</td><td>₱240,000</td><td>₱2,200,000</td></tr>
<tr><td>Ray C. Espinosa[20]</td><td>2,100,000</td><td>—</td><td>2,100,000</td></tr>
<tr><td>NON-EXECUTIVE DIRECTOR</td><td></td><td></td><td></td></tr>
<tr><td>Lance Y. Gokongwei</td><td>2,100,000</td><td>552,000</td><td>2,652,000</td></tr>
<tr><td>Anabelle L. Chua[21]</td><td>840,000</td><td>288,000</td><td>1,128,000</td></tr>
<tr><td>June Cheryl A. Cabal-Revilla[22]</td><td>1,260,000</td><td>216,000</td><td>1,476,000</td></tr>
<tr><td>Frederick D. Go</td><td>2,100,000</td><td>360,000</td><td>2,460,000</td></tr>
<tr><td>James L. Go</td><td>2,100,000</td><td>552,000</td><td>2,652,000</td></tr>
<tr><td>Jose Ma. K. Lim</td><td>1,540,000</td><td>552,000</td><td>2,092,000</td></tr>
<tr><td>Victorico P. Vargas</td><td>2,100,000</td><td>432,000</td><td>2,532,000</td></tr>
<tr><td>INDEPENDENT DIRECTORS</td><td></td><td></td><td></td></tr>
<tr><td>Lydia B. Echauz</td><td>2,100,000</td><td>528,000</td><td>2,628,000</td></tr>
<tr><td>Artemio V. Panganiban</td><td>2,100,000</td><td>336,000</td><td>2,436,000</td></tr>
<tr><td>Pedro Emilio O. Roxas</td><td>2,100,000</td><td>792,000</td><td>2,892,000</td></tr>
<tr><td>TOTAL INDEPENDENT DIRECTORS</td><td>6,300,000</td><td>1,656,000.00</td><td>7,956,000</td></tr>
<tr><td>GRAND TOTAL</td><td>₱22,400,000</td><td>₱4,848,000</td><td>₱27,248,000</td></tr>
</table>
The top five (5) key officers of the Company have received an aggregate remuneration of *PhP425 million*.

Link:
SEC Form 17-A Annual Report, pages 134-135
mer.ph/2023AR_17A

Annual Report
Annual Reports (meralco.com.ph)</td>
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</table>

		Page 200: *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Definitive Information Statement 2023, page 38, 158:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, pages 44-45*** *mer.ph/DIS2024*	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	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. Related Party Transactions (RPT) Policy ensures that transaction of the Company with its related parties are conducted in fair and at arms' length terms. It requires review of material/significant RPTs by the RPT Committee to determine whether these RPTs are in the best interest of the Company. The RPT Policy is disclosed in the Company's Revised Manual of Corporate Governance, and the Company Website. Link: ***Revised Manual of Corporate Governance, Section 4.2.6, page 19:*** mer.ph/CGManual Except with respect to the Related Party Transactions as discussed in Note 23 to the consolidated financial statements as at December 31, 2021 and 2022 and for each of	

		the three (3) years ended December 31, 2021, there was no transaction during the last three (3) years 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. In 2023, the list of material RPTs in Note 23 does not include any transaction where a director has material interest that would affect the corporation and require his abstention. Link: ***Definitive Information Statement 2024, Certain Relationships and Related Transactions, pages 43 and 44 in relation to Note 23 of the Notes to Consolidated Financial Statement, pages 80-83 (pages 354-357)***, *mer.ph/DIS2024* RPT Policy Revised RPT Policy_2.pdf (amazonaws.com)	
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: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 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 9. other terms and conditions	

		Note 23 of the Consolidated Financial Statement of the Company discloses the RPTs involving the Company including details of each material/significant RPT. Link: ***Definitive Information Statement 2024, Certain Relationships and Related Transactions, pages 43 and 44 in relation to Note 23 of the Notes to Consolidated Financial Statement, pages 80-83 (pages 354-357)***, *mer.ph/DIS2024*	
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. 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. Link: ***Conflict of Interest Policy:*** https://mer.ph/COI2012	
Optional : Recommendation 8.5			

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 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. Link: ***SEC Form 17-A Annual Report, page 158*** mer.ph/2023AR_17A ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 212:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) ***Meralco website (RPT Committee):*** 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 The Board commits at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders. All material information may include: earnings results, acquisition or disposition of assets, board changes, related party transactions, shareholdings of directors, changes in ownership, remuneration (including stock options) of all directors and senior management, corporate strategy, and off balance sheet transactions. All disclosed information may be released via the approved stock exchange procedure for	

		Company announcements as well as through the annual report. The Company shall cause the filing of all required information for the interest of the stakeholders. Link: ***Material facts or events, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders are disclosed in the Meralco website:*** *SEC and PSE Filings (meralco.com.ph)*	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	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. In cases of acquisition of corporate control in the capital markets and other extraordinary transactions such as mergers and sales of substantial portions of the corporate assets the Company, through its BOD, will appoint an independent party to evaluate the fairness of the transaction. In 2017, in accordance with the Agreement of Shareholders and Subscription of Shares among MERALCO, Pioneer Insurance & Surety Corporation ("Pioneer Insurance") and RSIC, RSIC issued new common shares to Pioneer Insurance and MERALCO, resulting in a dilution of MERALCO's ownership interest in RSIC to 49%. Under the Agreement, MERALCO	

		has the right to sell to Pioneer Insurance, and Pioneer Insurance has the obligation to buy, MERALCO's 49% stake in RSIC which is exercisable by MERALCO at any time during the period from January 1, 2023 to December 31, 2023. This is disclosed in the Definitive Information Statement (page 74) and in the Notes to Consolidated Financial Statements (Annual Report, page 111) which was audited by the Company's appointed external auditors, SGV & Co. The shareholders' agreement was evaluated and approved by the SEC to ensure the fairness of the transaction. Link: ***Definitive Information Statement 2018, page 74:*** *2018_definitive_information_statement_-.pdf (amazonaws.com)* In 2023, there is no acquisition of corporate control in the capital markets and other extraordinary transactions such as mergers and sales of substantial portions of the corporate assets which would require the Company, through its BOD, to appoint an independent party to evaluate the fairness of the transaction.	
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. 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: SEC and PSE Filings (meralco.com.ph) In 2023, the Company has no such agreements to disclose.	
Recommendation 8.7			
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. The Revised Manual of Corporate Governance is the foundation of Meralco's governance policies, which states the responsibilities of the Board, Management and the Company to stockholders and all other stakeholders. It 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. Link: ***Revised Manual of Corporate Governance:***	

		mer.ph/CGManual	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	The Revised Manual of Corporate Governance was amended and submitted to the SEC and PSE on April 24, 2017. It was then updated on July 25, 2022. Links: ***Submissions to the SEC:*** 1494222146.7586e05c9d2962383115025a670b5cce.pdf (amazonaws.com) ***Submission to the PSE:*** Other SEC Forms, Reports and Requirements (pse.com.ph) ***Revised Manual of Corporate Governance:*** mer.ph/CGManual	
3. Company's MCG is posted on its company website.	Compliant	The Company's Revised Manual of Corporate Governance is posted on the website. Link: ***Revised Manual of Corporate Governance:*** mer.ph/CGManual	
Supplement to Recommendation 8.7			
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. The Revised Manual of Corporate Governance was amended and submitted to the SEC and PSE on April 24, 2017 it was then updated on July 25, 2022. Links: ***Submission to the SEC:***	

		https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-03/1494222146.7586e05c9d2962383115025a670b5cce.pdf?null ***Submission to the PSE:*** Other SEC Forms, Reports and Requirements (pse.com.ph) ***Revised Manual of Corporate Governance:*** mer.ph/CGManual	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information. The Annual Report discloses the following information: a. Corporate Objectives, pages 147-148 b. Financial performance indicators, page 152 c. non-financial performance indicators, page 152 d. dividend policy, page 158-159 e. biographical details of all directors, 97-110 f. attendance details of each director in all meetings held during the year, pages 131-132 g. total remuneration of each member of the board of directors, page 134 ***SEC Form 17-A Annual Report, pages 148-149*** mer.ph/2023AR_17A Annual Report	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
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	Annual Reports (meralco.com.ph) **Page 200:** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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 The Annual Report includes a statement confirming the Company's full compliance with the Code of Corporate Governance. Links: ***Amended Definitive Information Statement 2023, page 148:*** mer.ph/DIS2023 ***Definitive Information Statement 2024, page 145*** mer.ph/DIS2024 ***SEC Form 17-A Annual Report, page 140*** mer.ph/2023AR_17A ***Annual Report*** Annual Reports (meralco.com.ph) **Page 189** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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 The Annual Report includes a statement that the Board reviewed the Company's material controls (including operational, financial and compliance controls) and risk management systems. Link:	

		Definitive Information Statement 2024, page 153 mer.ph/DIS2024 ***SEC Form 17-A Annual Report, page 148*** mer.ph/2023AR_17A ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 191:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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 The Annual Report/Annual CG Report contains a statement from the Audit Committee commenting on the adequacy of the company's internal controls/risk management systems. Link: ***Definitive Information Statement 2024, pages 160-161*** mer.ph/DIS2024 ***SEC Form 17-A Annual Report, page 155*** mer.ph/2023AR_17A ***Report of the Audit Committee, Annual Report,*** Annual Reports (meralco.com.ph) ***Page 203:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e.	Compliant	Provide link or reference to where these are contained in the Annual Report The Company has categorized risks under five (5) general risk umbrellas in its Risk Universe:	

financial, operational including IT, environmental, social, economic).		Regulatory and Corporate Laws; Strategic; Financial; Operational; and Environment, Social, and Governance (ESG), which have been integrated for the first time in 2022 into One Meralco's ERM process to more fully capture the existing and potential impact of its business to the environment and its stakeholders, and therefore ensure that these are addressed and mitigated in line with its ESG objectives. Regulatory, Political, Human Resources, Power Supply and Demand, and Fuel Price Risks are the top five (5) key enterprise risks of the Company and its subsidiaries as at December 31, 2023. Link: ***Definitive Information Statement 2024, pages 161*** *mer.ph/DIS2024* ***SEC Form 17-A Annual Report, page 75*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 222:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. 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 Annual Report and Audit Committee Charter. Links: ***Definitive Information Statement 2024, pages 160*** *mer.ph/DIS2024* ***SEC Form 17-A Annual Report, page 61*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 229:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* ***Audit Committee Charter*** *https://mer.ph/AuditComCharter*	
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. 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. Link: ***Audit Committee Charter, Article C, Section 2.10, page 3:*** *mer.ph/AuditComCharter* In 2023, 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 893,373,042 shareholders vote in the Annual Stockholders' Meeting (ASM) held on May 30, 2023 or 79.26% of the total outstanding shares. The same is disclosed in the 2023 Annual Stockholders' Meeting (ASM) Voting Results per Resolution Links: Resolution 6. Appointment of External Auditors. Meralco's external auditors for 2023-2024, tasked with the preparation of the annual audited financial statements, will be appointed by the Stockholders. This is upon favorable recommendation by the Audit	

<table>
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<td>Committee. Below is the text of the proposed resolution: “RESOLVED, that SGV & Company, Certified Public Accountants, be, as they hereby are, re-appointed as external auditors of the Company for the year 2023-2024.”

<table>
<tr><th></th><th>Count</th><th>%</th></tr>
<tr><td>Approve</td><td>893,373,042</td><td>79.26%</td></tr>
<tr><td>Against</td><td>626,472</td><td>0.06%</td></tr>
<tr><td>Abstain</td><td>1,436,053</td><td>0.13%</td></tr>
</table>

Minutes of the 2023 ASM, page 20:
voting_results_per_resolution_poster_31_may_2023.pdf (amazonaws.com)

Voting Results of the 2023 ASM, page 3:
voting_results_per_resolution_poster_31_may_2023.pdf (amazonaws.com)</td>
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<tr>
<td>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.</td>
<td>Compliant</td>
<td>Provide information on or link/reference to a document containing the company’s reason for removal or change of external auditor.

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.

Link:
Audit Committee Charter, Article C, Section 2.0, page 3:
mer.ph/AuditComCharter</td>
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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. 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 such shorter or longer period provided under applicable laws and regulations. Link: ***Audit Committee Charter, Article C, Section 2.15, page 4:*** *mer.ph/AuditComCharter*	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and 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 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 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	

Philippine professional and regulatory requirements.		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. Link: ***Audit Committee Charter, Article C, Section 2.15, pages 3 and 4:*** *mer.ph/AuditComCharter*	
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 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 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. Links: ***Audit Committee Charter, Article C, Sections 2.10 and 2.15, pages 3 and 4:*** *mer.ph/AuditComCharter*	
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 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. Links: ***Audit Committee Charter:*** *mer.ph/AuditComCharter* ***Report of the Audit Committee, Annual Report*** Annual Reports (meralco.com.ph)	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant		
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. The Audit Committee ensures that non-audit services performed by its external auditor are disclosed in the Company's Annual Report. In 2023, 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.	

CONSOLIDATED EXTERNAL AUDITOR'S FEES*
(Amounts in million PhP)

	2023	2022
Financial Statements Audit*	₱21.1	₱19.0
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	₱0.8	₱0.7

Note: The fees for non-audit services did not exceed those for audit services.

		Links: ***Audit Committee Charter, Article C, Section 2.13, page 3:*** *mer.ph/AuditComCharter* ***SEC Form 17-A Annual Report, page 96*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 160*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 228:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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 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. 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 Company's overall consultancy expenses. 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; Link: ***Audit Committee Charter, Article C, Section 2.13, page 3:*** *Mer.ph/AuditComCharter* ***Revised Manual of Corporate Governance, page 40:*** *mer.ph/CGManual*	
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. 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 company's Definitive Information Statement. In 2023, 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.	

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<tr><td colspan="3">CONSOLIDATED EXTERNAL AUDITOR'S FEES*
(Amounts in million PhP)</td></tr>
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Links:
Audit Committee Charter, Article C, Section 2.13, page 3:
mer.ph/AuditComCharter

SEC Form 17-A Annual Report, page 96
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Definitive Information Statement 2024, page 160
mer.ph/DIS2024

Annual Report
Annual Reports (meralco.com.ph)
Page 228: meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)
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<tr><td colspan="4">Additional Recommendation to Principle 9</td></tr>
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<td>1. Company's external auditor is duly accredited by the SEC under Group A category.</td>
<td>Compliant</td>
<td>Provide information on company's external auditor, such as:

1. Name of the audit engagement partner;
2. Accreditation number;
3. Date Accredited;
4. Expiry date of accreditation; and
5. Name, address, contact number of the audit firm.

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.</td>
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		Mr. Narciso T. Torres, who has extensive accounting and auditing experience, is the SGV lead engagement partner for the external audit of MERALCO for 2023. He is duly accredited by the SEC under Group A category with Accreditation Number 84208-SEC, valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions. SGV & Co. has its office at 6760 Ayala Avenue, Makati City, 1226 Metro Manila, Philippines Tel: (632) 891-0307 Fax: (632) 819-0872 / (632) 818-1377	
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: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and Members of the engagement team inspected by the SEC. As a covered firm under SEC Memorandum Circular No. 9, series of 2017 (Rules and Regulations on the 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 1 to 12, 2022. The names of the members of this	

		engagement team were provided to SEC during the inspection.	
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. The Company abides by the SEC's guidelines on sustainability reporting guidelines for publicly-listed companies. The Company also discloses its policies and practices on the management of economic, environmental, social and governance (EESG) issues in its website. These are reflected in the Sustainability Report for 2023 attached to the Annual 17 (SEC Form 17-A) submitted to the SEC on April 15, 2024 Link: ***Meralco Sustainability Report 2023 attached to SEC 17-A, Part V, Page, pages 466-553*** *mer.ph/2023AR_17A* 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: ***Financial and Economic Reports:***	

		https://company.meralco.com.ph/company-disclosures/audited-financial-statement SEC and PSE Filings (meralco.com.ph) ***Environmental, Health, and Safety:*** Environment, Health and Safety (meralco.com.ph) ***Social: 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 OMF's website:*** http://www.onemeralcofoundation.org/ ***Governance:*** Corporate Governance in Meralco *A copy the Company's Sustainability Report is incorporated/ combined with the Annual Report* meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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. The Company's Sustainability Report for 2023 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. A copy of the Sustainability Report for 2023 submitted to the SEC on April 17, 2023: ***Meralco Sustainability Report 2023 attached to SEC 17-A, Part V, Page, pages 466-553*** *mer.ph/2023AR_17A*	

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.). Provide links, if any. The officers of the Company, led by the President 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. Links: *Investor Relations Program (meralco.com.ph)* ***Disclosures*** *SEC and PSE Filings (meralco.com.ph)*	

		Schedule of Events *Calendar of Events (meralco.com.ph)* ***News and Articles*** *News & Advisories (meralco.com.ph)*	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website The following information can be found in the Company Website:	
a. Financial statements/reports (latest quarterly)	Compliant	a. Financials statements - "Quarterly Financial Statement Link": *Audited Financial Statements (meralco.com.ph)*	
b. Materials provided in briefings to analysts and media	Compliant	b. Materials provided in briefings to analysts and media: *Quarterly Reports (meralco.com.ph)*	
c. Downloadable Annual Report	Compliant	c. Downloadable Annual Report: *Annual Reports (meralco.com.ph)*	
d. Notice of ASM and/or SSM	Compliant	d. Notice of ASM and/or SSM: *Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)*	
e. Minutes of ASM and/or SSM	Compliant	e. Minutes of ASM and/or SSM: *Minutes of all General or Special Stockholders' Meetings (meralco.com.ph)*	
f. Company's Articles of Incorporation and By-Laws	Compliant	f. Company's Articles of Incorporation and By-Laws: *Meralco Articles of Incorporation.pdf (amazonaws.com)* *Meralco By-Laws.pdf (amazonaws.com)*	

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. Link: https://www.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. Indicate frequency of review of the internal control system The Audit Committee Report in 2023 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.	

		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. The Audit Committee also performed the following: 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. 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. The review of internal controls is conducted annually by the directors based on the reports of the Management, Internal and external auditors. Link:	

		SEC Form 17-A Annual Report, pages 153-155 *mer.ph/2023AR_17A* ***Report of the Audit Committee, Annual Report*** Annual Reports (meralco.com.ph) For a more detailed list of quality service programs for internal audit functions: ***Revised Internal Audit Charter:*** *mer.ph/AuditComCharter* ***Internal Controls and Audit page, Meralco Website:*** Internal Controls and Audit (meralco.com.ph)	
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 Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework. 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.	

		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 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 2023. 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. 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 the management of Meralco's portfolio of risks. The Company's ERM framework is anchored mainly/mostly on two references: Committee of Sponsoring Organization (COSO) Framework and ISO 31000 (Risk Management – Principles and Guidelines). Links: ***Risk Management Committee Charter*** *Risk Management Committee Charter.pdf (amazonaws.com)* *Enterprise-Wide Risk Management (meralco.com.ph)* The Company's ERM framework is also disclosed in the Annual Report ***SEC Form 17-A Annual Report, pages 155-157*** *mer.ph/2023AR_17A* Regulatory, Political, Human Resources, Power Supply and Demand, and Fuel Price Risks are the top five (5) key enterprise risks of the Company and its subsidiaries as at December 31, 2023. ***17-A Annual Report, page 198*** manila_electric_company_sec_17-a_2022_with_sustainability_report.pdf (amazonaws.com) A more detailed discussion on the major risks/ factors affecting the Company's financial	

		position and results of operations, i.e., Regulated rates and cost recoveries; Sales volume and Philippine economic conditions; Electricity Supply Industry restructuring, is found in the Definitive Information Statement: ***Definitive Information Statement 2024, pages 161-163, Annex B, List of Acts to the Board, page 1*** *mer.ph/DIS2024*	
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, acceptance and compliance with the said issuances.	Compliant	Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Indicate frequency of review. The Company faithfully complies with the corporate governance code, rules, and regulations promulgated and enforced by the SEC, PSE, Philippine Dealing & Exchange Corp. (PDEx), and other relevant regulatory bodies. It has consistently also kept itself abreast of the regulatory developments in the industry. The following attest to the Company's full compliance with the SEC Code of Corporate Governance. - Chairman - President and Chief Executive Officer - Compliance Officer The Audit Committee Report in 2023 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 the directors based on the reports of the Management, Internal and external auditors. Links: ***Meralco website:*** Corporate Governance and Compliance Office (meralco.com.ph) ***Certificate of Compliance for Y2023*** OpeY 2k1 version - Philippines (amazonaws.com) ***SEC Form 17-A Annual Report, page 140*** *mer.ph/2023AR_17A* ***Report of the Audit Committee, Annual Report*** Annual Reports (meralco.com.ph)	
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 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 security governance. Management provides the strategic direction and adequate resources to manage appropriately the information security risks of the organization. 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. 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 information assets and critical infrastructure. ***SEC Form 17-A Annual Report, pages 156-157*** *mer.ph/2023AR_17A* Information on the Company's Information Security Governance process is detailed in the Company website. *Information Security Governance and Data Privacy (meralco.com.ph)*	
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. 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. 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. Link: ***Meralco website:***: Internal Controls and Audit (meralco.com.ph) ***SEC Form 17-A Annual Report, pages 153-155; Part V. Sustainability Report, pages 61-62 (526-527), 78-79 (543-544),*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 159-161*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 227-229:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. 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 Assessment and a	

		Qualified Validator in Quality Assurance for Internal Audit. 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. Links: ***Revised Manual of Corporate Governance, pages 43-44:*** mer.ph/CGManual ***Revised Internal Audit Charter:*** *mer.ph/AuditComCharter* ***SEC Form 17-A Annual Report, pages 114-115, 154*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, pages 22-23, 159*** *mer.ph/DIS2024*	
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. Links: ***Revised Manual of Corporate Governance, pages 43-44:*** mer.ph/CGManual ***Revised Internal Audit Charter:*** *mer.ph/AuditComCharter* ***SEC Form 17-A Annual Report, pages 114-115, 154*** *mer.ph/2023AR_17A*	

		Definitive Information Statement 2024, pages 22-23, 159 *mer.ph/DIS2024*	
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. Section 3, Definition of Terms (3.11) 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 2022, the internal audit activity of the Company has not been outsourced. ***Revised Manual of Corporate Governance, Definition of Terms, page 4:*** mer.ph/CGManual	
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. The Company has a separate risk management function to identify, assess and monitor key risk exposures. 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. 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. 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. Links: ***Meralco website:*** https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management ***SEC Form 17-A Annual Report, pages 155-157*** *mer.ph/2023AR_17A*	

		Definitive Information Statement 2024, pages 161-163 mer.ph/DIS2024 ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 203, 221-222:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
Supplement to Recommendation 12.4			
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. 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. In 2023, the Company's risk management function was able to adequately perform the necessary risk management activities and did not require external technical support. Links: ***Article I, Section 5.4 (d) of the Revised Manual of Corporate Governance:*** mer.ph/CGManual	
Recommendation 12.5			
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. 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 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. The qualifications and backgrounds of Ms. Betty Siy-Yap are listed in the Definitive Information Statement, pages 20 and 21 and in the Annual Report (SEC Form 17-A), pages 122-123 and Annual Report. ***SEC Form 17-A Annual Report, page 112*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 20*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* The responsibilities of the Chief Risk Officer are detailed in Section 4.11.6.2.3 of the Revised Manual of Corporate Governance, page 45: mer.ph/CGManual	

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. ***SEC Form 17-A Annual Report, page 112*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 20*** *mer.ph/DIS2024* ***Annual Report*** Annual Reports (meralco.com.ph)	
Additional Recommendation to Principle 12			
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 The Company's 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 2023 are adequate and effective. Link: ***Meralco website:*** *Internal Controls and Audit (meralco.com.ph)* ***Confirmation Statement on Internal Control:*** *2023 Year End Confirmation Statement on Internal Controls.pdf (amazonaws.com)*	
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. 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 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): Link: ***Revised Manual of Corporate Governance*** *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 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. Links: ***Revised Manual of Corporate Governance, page 46-51:*** *mer.ph/CGManual*	

		Key Players page: 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 for one share. The same is disclosed in the Annual Report. Link: ***SEC Form 17-A Annual Report, page 160*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 166*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 212:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. The Company has only one (1) classification of shares (common shares), with each share entitled to one (1) vote. Link: ***SEC Form 17-A Annual Report, page 160*** *mer.ph/2023AR_17A* ***Definitive Information Statement 2024, page 166*** *mer.ph/DIS2024* ***Annual Report*** *Annual Reports (meralco.com.ph)*	

		Page 212: *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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. The 2023 ASM was held on Tuesday, May 30, 2023, at 10:15 AM at the Meralco Multi-Purpose Hall, Ortigas Avenue, Barangay Ugong, Pasig City. In light of the COVID-19 pandemic, the Company conducted its third 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 concerns to the Board during the meeting. As in the previous years, the Company facilitated participation of stockholders who cannot attend the 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. 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 30, 2023 for submission of proposed agenda and nomination of qualified candidates on or before March 6, 2023. Voting Procedures The Corporate Secretary reported a quorum with the attendance of stockholders who own or hold a total of approximately over 895,488,032 or 79.4507% of the total issued and outstanding shares of 1,127,098,705 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. 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 Reyes Tacandong & 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.f	

		The Chairman of the Board, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the Finance Committee, the Board, President and CEO, 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. The Company posted the resolutions approved during the ASM on its website the following day so that non-attending shareholders may be immediately informed. Link: ***2023 ASM Voting Results*** *voting_results_per_resolution_poster_31_may_2023.pdf (amazonaws.com)* ***Minutes of the ASM, pages 3 to 4:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)* ***SEC Form 17-A Annual Report, pages 159-160*** *mer.ph/2023AR_17A* ***Annual Report***	

		Annual Reports (meralco.com.ph) **Page 211:** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)	
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. The Company's policies embody an utmost respect to the right of the minority shareholders while pursuing corporate interest. Salient provisions are: a) Timely, fair, and accurate disclosure of material information 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 c) Related Party Transactions are disclosed in the Company's Notes to financial statements d) Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval. Link: ***SEC Form 17-A Annual Report, page 161*** mer.ph/2023AR_17A ***Definitive Information Statement 2024, page 167*** mer.ph/DIS2024 ***Annual Report*** Annual Reports (meralco.com.ph)	

		Page 213: *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	
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) The Board affords stockholders the right to propose the holding of 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. Link: ***Revised Manual of Corporate Governance*** *mer.ph/CGManual* 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. Link: ***Meralco website:*** *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 The Board commits to treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights. Salient provisions are: a) Timely, fair, and accurate disclosure of material information 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 c) Related Party Transactions are disclosed in the Company's Notes to financial statements d) Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval. Link: ***SEC Form 17-A Annual Report, page 161*** *mer.ph/2023AR_17A*	

		Definitive Information Statement 2024, page 167 mer.ph/DIS2024 ***Annual Report*** Annual Reports (meralco.com.ph) ***Page 213:*** meralco_annual_report_-_may_28_2024.pdf (amazonaws.com) Policies with respect to protection of shareholders' rights are also detailed in the Company's Revised Manual of Corporate Governance. Link: ***Revised Manual of Corporate Governance, Section 4.11.7:*** mer.ph/CGManual	
7. Company has a transparent and specific dividend policy.	Compliant	Provide information on or link/reference to the company's dividend Policy. 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 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 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.

Above are the cash dividends declared by the Board on common shares for 2023.

Declaration Date	Record Date	Payable Date	Rate per Share
February 27, 2023	March 29, 2023	April 26, 2023	PhP 11.028
July 31, 2023	August 30, 2023	September 14, 2023	PhP 8.520

Link:
Annual Report
Annual Reports (meralco.com.ph)
Page 209: *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*

SEC Form 17-A Annual Report, page 70
mer.ph/2023AR_17A

Definitive Information Statement 2024, page 115
mer.ph/DIS2024

The Company follows the general practice in the country in the declaration and payment of dividends to its shareholders:

- 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. • The Ex-Dividend Date is the first day when buying a stock does not entitle the buyer to the dividends. • The Record Date is the date after which new buyers of the shares will not qualify to receive dividend payments. • 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. The Company appointed an independent auditing firm, Reyes and Tacandong & Co., to supervise and validate the canvassing of votes of the shareholders during the Annual Stockholders' Meeting (ASM) of 2023. This was recorded in the ASM Minutes which was also posted in the company website. Link: ***Minutes of the 2023 ASM, page 3:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)*	
Recommendation 13.2			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS) To provide shareholders enough time to examine the Company's information, the ASM Notice was posted on the Company's website on January 30, 2023. The Definitive Information Statement (DIS) was distributed to the shareholders starting April 19, 2023. 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 World 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).	

		Links: ***Notice of the 2023 Annual Stockholders' Meeting with detailed agenda:*** ***Definitive Information Statement 2023***, *page 19:* *mer.ph/DIS2023* ***Minutes of the 2023 ASM, page 4:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)* 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. In 2023, no Agenda of ASM includes the shareholders' approval of the remuneration or any changes therein. Link: ***SEC Form 17-A Annual Report, page 159*** *mer.ph/2023AR_17A* ***Annual Report*** Annual Reports (meralco.com.ph)	
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	
a. The profiles of directors (i.e., age, academic qualifications, date of first	Compliant	The profiles of the Directors (i.e., age, academic qualifications, date of first	

appointment, experience, and directorships in other listed companies)		appointment, experience, and directorships in other listed companies) are stated in Notice of Annual Stockholders' Meeting incorporated in the Definitive Information Statement: Links: ***Definitive Information Statement 2023, page 5-18:*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, pages 6-18:*** *mer.ph/DIS2024*	
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 Definitive Information Statement: Link: ***Definitive Information Statement 2023, Notice of Annual Stockholders' Meeting, Agenda No. 9 in reference to pages 39-40 of the Definitive Information Statement*** *mer.ph/DIS2023* ***Definitive Information Statement 2024, Notice of Annual Stockholders' Meeting, Agenda No. 8 in reference to pages 45-46 of the Definitive Information Statement*** *mer.ph/DIS2024*	
c. Proxy documents	Compliant	Proxy forms are provided in the Notice and can downloaded from the Company Website as well.	

		Links: ***Definitive Information Statement 2023*** mer.ph/DIS2023 ***Definitive Information Statement 2024,*** *mer.ph/DIS2024* ***Meralco website:*** Notice of Annual or Special Stockholders' Meeting: *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 The Notice of 2023 ASM issued to all shareholders provided the rationale for each agenda item requiring shareholders' approval/ ratification. Copy of the Notice of 2023 ASM was also posted in the Company website. Links: ***Notice of the 2023 Annual Stockholders' Meeting with detailed agenda:*** mer.ph/DIS2023 ***Definitive Information Statement 2024,*** *mer.ph/DIS2024* ***Meralco website:*** Notice of Annual or Special Stockholders' Meeting: *Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)*	

		Meralco website: Notice of Annual or Special Stockholders' Meeting: *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. The 2023 ASM Minutes, together with the 2023 ASM Voting Results per resolution were also posted in the Company website, the day after the ASM, for the information of the shareholders. All relevant questions raised and answers during the 2023 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. Links: ***Minutes of the 2023 ASM:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)* ***Voting Results:*** *voting_results_per_resolution_poster_31_may_2023.pdf (amazonaws.com)* ***Meralco website:*** *Minutes of all General or Special Stockholders' Meetings (meralco.com.ph)*	

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. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any The minutes of the 2023 ASM was posted in the Company Website, on May 31, 2023, the day after the ASM, for the information of the shareholders. Also posted in the Company Website is Voting Results for all the items, including approving, dissenting, and abstaining votes. Also posted in the Company Website is Voting Results for all the items, including approving, dissenting and abstaining votes. At the Annual Stockholders' Meeting (ASM) held virtually via https://sms.meralco.com.ph/smsonline/ on May 30, 2023, approximately over 902,548,837 or 80.08% of the total issued and outstanding shares of approximately over 895,488,032 or 79.4507% of the total issued and outstanding shares of 1,127,098,705 represented in person and by proxy. Stockholders voted on each of the 2023 ASM resolutions by poll. Reyes Tacandong & Co. was the independent party duly appointed to validate the votes. Stockholders were	

		afforded opportunity to ask questions. Issues raised during the meeting together with answers are stated in the ASM Minutes. 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: Resolution 1. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2022. 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. Below is the text of the proposed resolution: "RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on May 31, 2022."	

	Count	%
Approve	894,012,244	79.32%
Against	0	0.00%
Abstain	1,423,323	0.13%

Resolution 2. Approval of the 2022 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 2022 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.

Below is the proposed resolution: "RESOLVED, that the audited consolidated financial statements for the year ended December 31, 2022 be, as the same are hereby, approved."

	Count	%
Approve	893,674,804	79.29%
Against	141,890	0.01%
Abstain	1,618,873	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 2022 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 31, 2022 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."

	Count	%
Approve	892,968,031	79.23%
Against	772,107	0.07%
Abstain	1,695,429	0.15%

Resolution 4. Amendment of Article I Section 2 and Article II Section 6 of the Company's

		By-Laws A resolution approving the amendment will be presented to the stockholders for approval by the affirmative vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. Below is the proposed resolution: "RESOLVED, that the Stockholders of the Corporation hereby approve the amendment Article I Section 2 and Article II Section 6 of the Company's By-Laws quoted below: **ARTICLE I** **MEETING OF STOCKHOLDERS** **Section 2. SPECIAL MEETINGS.** – Special meetings of the stockholders may be called by the Chairman of the board or by order of the Board of Directors whenever he or they may deem it necessary, and shall be so called whenever persons holding of record at least **ten percent (10%) or more** of the outstanding **capital** stock of the Company entitled to vote shall in writing request the same. Special meetings shall be held 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 specified in the call. x x x **Section 6. VACANCIES. –** If any vacancy shall occur among the directors **other than by removal or by expiration of term**, such vacancy may be filled, pending action by the stockholders, at any regular or special meeting of the Board of Directors, by vote of a majority of all the remaining directors.	

	Count	%
Approve	893,973,024	79.32%
Against	0	0.00%
Abstain	1,462,542	0.13%

Resolution 5. Election of Directors for the ensuing year. Copies of the curriculum vitae and profiles of the candidates to the Board of Directors 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 2023-2024 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:

Name	Votes
JUNE CHERYL A. CABAL-REVILLA	858,889,781
LYDIA B. ECHAUZ*	893,057,831
RAY C. ESPINOSA	889,926,790
FREDERICK DY GO	845,366,219
JAMES L. GO	845,366,691
LANCE YU GOKONGWEI	845,707,301
JOSE MA. K. LIM	845,595,348
ARTEMIO V. PANGANIBAN*	860,286,501
MANUEL V. PANGILINAN	846,427,879
PEDRO EMILIO O. ROXAS*	873,184,532
VICTORICO P. VARGAS	847,207,008
Independent Director	

A total of 398,619,907 votes abstained from the election of directors.

Resolution 6. Appointment of External Auditors. Meralco's external auditors for 2023-2024, 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, re-appointed as external auditors of the Company for the year 2023-2024."

	Count	%
Approve	893,373,042	79.26%
Against	626,472	0.06%
Abstain	1,436,053	0.13%

Links:

Minutes of the 2023 ASM:
meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)

Voting Results:
voting_results_per_resolution_poster_31_may_2023.pdf (amazonaws.com)

Meralco website:
Minutes of all General or Special Stockholders' Meetings (meralco.com.ph)

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders' questions during the ASM and SSM.		Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting Board ensures the attendance of relevant individuals to answer shareholders' questions during the ASM. The 2023 ASM was presided by the Chairman of the Board, Mr. Manuel V. Pangilinan, and was attended by stockholders, who own or hold approximately over 895,488,032 or 79.4507% of the total issued and outstanding shares of 1,127,098,705 represented in person and by proxy.	

		The ASM was also attended by the President and CEO, Atty. Ray C. Espinosa; 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 the attendees including the elected board members, were disclosed to the SEC and PSE within the day of the ASM. Please refer to the section on Board Performance for the detailed attendance of the Board to the ASM. Links: ***Minutes of the 2023 ASM, page 2:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)* ***Annual Report:*** *Annual Reports (meralco.com.ph)* ***Page 211:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)* 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. 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 Provide link/reference to where it is found in the Manual on Corporate Governance The Board adopts and makes 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. Links: ***Alternative Dispute Resolution Policy:*** *ADR.pdf (amazonaws.com)* ***Revised Manual of Corporate Governance:*** *mer.ph/CGManual*	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant		

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: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 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. Investors may get in touch with the Company's Investor Relations Office located at 5/F of Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, 1605 Philippines with the e-mail address: investor.relations@meralco.com.ph. Such information can be found on the Annual Report. Link: ***SEC Form 17-A Annual Report, Sustainability Report Section, page 80 (545)*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)* ***Page 231:*** *meralco_annual_report_-_may_28_2024.pdf (amazonaws.com)*	

		Shareholders may also access daily updates on Meralco's shares of stock through the Investor Relations page of the Company's Website. Link: ***Meralco website:*** Investor Relations Page *Overview (meralco.com.ph)* 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. 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. Link: ***Meralco website:*** Quarterly Reports *Quarterly Reports (meralco.com.ph)*	
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM. The Company's Chief Finance Officer (CFO), Ms. Betty C. Siy-Yap, currently handles the Investor Relations Office and is present at	

		every shareholders' meeting, including the 2023 ASM. Link: ***Minutes of the 2023 ASM, page 2:*** *meralco_minutes_2023_annual_stockholders_meeting_-_may_30_2023.pdf (amazonaws.com)*	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. The Company does not employ any anti-takeover measure or similar devices that may entrench ineffective management or the existing controlling shareholder group. The Company upholds the rights of all shareholders, including the minority shareholders, to effectively participate in decisions affecting the Company: • Changes or amendments to the Company's Articles of Incorporation or By-laws • Authorization for issuance of additional shares • Authorization of extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company	

		• Approval of remuneration or increase in remuneration of non-executive and executive directors • Voting on matters in absentia through the use of proxy forms 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. The Company likewise allows tender offer of shares and exercise of proxy vote which are recognized strategies in takeovers. Link: ***SEC Form 17-A Annual Report, page 159*** *mer.ph/2023AR_17A*	
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, 2023, 26.11% of its issued and outstanding shares are

			freely available and tradable in the market. This is above the current 10% minimum public float requirement prescribed by the Philippine Stock Exchange Inc. (as approved by the SEC), and has increased from 18.68% in 2016. Links: ***Annual Report*** *Annual Reports (meralco.com.ph)* ***MER Public Ownership Report December 2023*** *manila_electric_company_por_31_dec_2023.pdf (amazonaws.com)* ***PSE Memorandum CN No. 2012-003 (Annex B) dated 3 January 2012 re: Amended Rule on Minimum Public Ownership*** *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 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. 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. Links: ***Meralco website:*** Investor Relations *Investor Relations (meralco.com.ph)* Disclosures *SEC and PSE Filings (meralco.com.ph)* 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.	

		Shareholders are given Notice and Agenda of the Annual Stockholders 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) 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. 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 in the website for public notice. 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) 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. Link: ***Meralco website:*** 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. During the 2023 ASM, in light of the COVID-19 pandemic, 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 opportunity to propound questions and raise concerns to the Board during the meeting.	

		Link: ***Meralco website SERVE portal for electronic voting in absentia:*** *SERVE - Voting in Absentia (meralco.com.ph)* 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. The following are the Company's stakeholders: • Shareholders • Employees • Subsidiaries • Community • Other Stakeholders such as creditors and suppliers As a result of its continuous interactions with its stakeholders, the Company has formulated guidelines and strategies to ensure sustainable development determined to operate a business that is anchored on good governance. The policies and programs for the Company's stakeholders are disclosed in the Annual Report and the Company Website.	

		Links: ***SEC Form 17-A Annual Report, pages 161, 165; Sustainability Section, page 4*** *mer.ph/2023AR_17A* ***Annual Report*** Annual Reports (meralco.com.ph) ***Meralco website:*** Key Players: Key Players (meralco.com.ph) Stakeholder Engagement: 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 The Company implements policies and activities that protect the rights and promote the interest of its various stockholders: Customers 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: - Provides customized services to home and micro businesses, small and medium-size enterprises and corporate business groups; - 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); - Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year; - Undertakes surveys on customers' level of satisfaction to improve the Company's service standards; - 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; - 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 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: -Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders. - 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. -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. <u>Suppliers/Contractors</u> 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: - Only accredited suppliers are qualified to participate in bids and awards. - Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated. - 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. <u>Creditors</u> 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.	

		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. Environment and Community 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/) Links: ***SEC Form 17-A Annual Report, pages 148-149*** *mer.ph/2023AR_17A* Annual Reports (meralco.com.ph) Sustainability at Meralco ***Company Website, Key Players:*** Key Players (meralco.com.ph)	
Recommendation 14.3			

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. Provide information on whistleblowing policy, practices and procedures for stakeholders 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. 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. 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: **Corporate Governance Office**	

		Manila Electric Company (Meralco) 8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines Tel: (+632) 1622-2798 Mobile: 09088661670 email: cgo.staff@meralco.com.ph Links: ***Whistleblowing Policy (Speak Out Policy):*** *Speak Out Policy.pdf (amazonaws.com)* ***Whistleblowing Report, Annex 1:*** Microsoft Word - eReport Form (amazonaws.com) ***Protection from Retaliation Form:*** Microsoft Word - Retaliation Protection Report Form (amazonaws.com) ***SEC Form 17-A Annual Report, page 165*** *mer.ph/2023AR_17A*	
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. The Company adopts the following alternative dispute resolution system to address conflicts and differences with key stakeholders: ***Corporation & Stakeholders*** 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. Links: ***Alternative Dispute Resolution Policy:*** *ADR.pdf (amazonaws.com)* ***Revised Manual of Corporate Governance*** *mer.ph/CGManual* ***Corporation & Third Parties*** 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. 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. 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. 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. 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. For disputes in connection with matters concerning the Philippine Electricity Market Corporation, the Company complies with the dispute resolution mechanism provided in the Wholesale Electricity Spot Market (WESM) Manual. ***Corporation & Regulatory Authorities*** 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. ***Employees*** 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	Compliant	Disclose any requests for exemption by the company and the reason for the request. 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.	

well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any. 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 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. Link: ***Revised Code of Ethics*** https://mer.ph/COEthics 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: – *Bright Ideas* for electric service, appliance, promotions, andenergy efficiency tips to help consumers	

		make informed decisions on managing their electric consumptions; – *Salba Bote* for life-saving improvised floatation device consisting of buoyant, belt or jacket. The device is made of empty 1-liter bottles enclosed in a strong rubber mesh bag which may be worn like a typical life vest, and may also be attached to other units to form a raft or to a sturdy post or tree to prevent the users from being carried away by raging flood waters. ; and – *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	
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. 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. 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: - Provides customized services to home and micro businesses, small and medium-size enterprises and corporate business groups; - 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; - Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year; - Undertakes surveys on customers' level of satisfaction to improve the Company's service standards; - 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 - Implements various programs to delight the customers such as 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 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: - Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders; - 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	

		- 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. 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/: Links: ***SEC Form 17-A Annual Report, Sustainability section*** *mer.ph/2023AR_17A* ***Annual Reports*** Annual Reports (meralco.com.ph) ***Company Website, Key Players:*** 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. 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 faithful compliance to all the terms and conditions of its procurement contracts.	

		Under these programs, • Only accredited suppliers are qualified to participate in bids and award. • Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated. • 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. Link: ***Vendor's Code of Business Conduct and Ethics:*** *Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)* ***Meralco Website:*** *Key Players (meralco.com.ph)* *Stakeholder Engagement (meralco.com.ph)*	
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. 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. 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 Employees and Meralco Employees and Workers Association. Other performance enhancing mechanisms in Meralco are the Employee Stock Purchase Plans (ESPP), balanced scorecard and other profit-sharing mechanisms.	

		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: **Recruitment and Onboarding** 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: • Keeps resumes readily available when search process is initiated by the recruiter; • Tracks and notifies applicants on the status of their applications; and • Allows job applicants mobility as it enables them to apply anytime, anywhere using their mobile device. 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*. *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. 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. Through the *Orange Plug-in Plus (OPI+)*, a separate orientation day is provided to all new employees holding leadership positions. This portion will give them the necessary information they need to better manage their people. The OPI is being managed by Talent Resourcing and it covers the following: • *Digital Welcome Kit* which contains relevant information about the company and campus-like home; • *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	

		• *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. **Learning and Development** 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. 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. Key talent management and development programs include:	

		Talent Management and Development	**Program Description**	
		Analyst Curriculum	In Meralco, analysts are the second largest 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 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 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 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 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 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 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 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 The Company values and recognizes the contributions of individuals in the attainment of team, organization and corporate goals. *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. The *appRACE*, a cloud-based people and performance management system, designed to support the RACE, was developed and launched last April 20, 2016. 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. **Compensation Philosophy** The Company implements short-term and long-term incentive programs to attract, retain, and motivate its employees. The Company compensates employees 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. 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. 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. **Employee Benefits** On top of legislated benefits, the Company implements several benefits policies for its	

		qualified employees such educational loan, housing equity assistance loan, cash assistance for death or disasters, among others. **In-Job Progression** 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. 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. **Work-life balance** The Company promotes work-life balance through a wide array of employee engagement activities. To determine people engagement 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. 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, and collaboration tools such as Workplace by Facebook. Link: ***Meralco website:*** Employee Development and Engagement: *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. As disclosed in the Annual Report, the Company compensates employees 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. 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. *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. The *appRACE*, a cloud-based people and performance management system, designed to support the RACE, was developed and launched last April 20, 2016. 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. Employee performance is evaluated based on two critical factors: 1. *Goals & Initiatives (GAINs)* – measures the employee's work accomplishments during the performance period (i.e., individual goals vs. actual work accomplishments); and 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. The merit increase is based on the employee's performance rating, and is effective January 1 of every year. 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. For PG employees promoted to the Exempt Group within the performance year, merit increases will also be pro-rated. Link: ***SEC Form 17-A Annual Report, pages 134, 149 and 150*** *mer.ph/2023AR_17A* ***Annual Report*** *Annual Reports (meralco.com.ph)*	
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. 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.	

		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. Spirituality is also of major importance as the Company ensures that different beliefs and religions have a place and venue for worship. More than 3,400 Meralco Employees actively participate in the different ORANGE FIT initiatives. 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).	

		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 31 Incident Response Team Members through TESDA. 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. 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*". 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 compliance to Occupational Safety and Health (OSH) Standards. Likewise, an additional eight (8) safety officers of the Company were able to secure their Safety Practitioner accreditation from the DOLE. 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. Link: ***Annual Report*** Annual Reports (meralco.com.ph) ***SEC Form 17-A Annual Report, Sustainability Report section, pages 31-33*** *mer.ph/2023AR_17A* ***Meralco website:*** Key Players: *Key Players (meralco.com.ph)* Stakeholder Engagement: *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. Include information on any training conducted or attended. 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. 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**. The Company dedicated in 2023 an average of 53.76 training hours per employee hours per employee. These programs covered competency upgrade, professional and leadership development, and safety and technical skills development. Link: ***SEC Form 17-A Annual Report, Sustainability Report section, pages 36-38*** *mer.ph/2023AR_17A* ***Annual Report***	

		Annual Reports (meralco.com.ph)	
Recommendation 15.2			
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 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 Link: ***Anti-Bribery and Corruption Policy*** *Anti-Bribery and Corruption Policy.pdf (amazonaws.com)* 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. ***Revised Code of Ethics:*** *Revised Code of Ethics (meralco.com.ph)* The Company's anti-corruption policy is reinforced by the following policies:	

		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. *Mer.ph/COI2012* 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. *Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com)* 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. *Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)* Violations of these policies are penalized in the Company's Code on Right Employee Conduct. These policies are uploaded to the Company Website. Link: ***Meralco website:*** (Other Policies): *Other Policies (meralco.com.ph)*	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization 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. Link: ***Meralco website:*** Policies: *Other Policies (meralco.com.ph)*	

		Programs: *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. Include any finding of violations of the company policy 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. Link: Anti-Bribery and Corruption Policy *Anti-Bribery and Corruption Policy.pdf (amazonaws.com)* 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: 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. *Mer.ph/COI2012* 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. *Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com)* C. Vendor'sCode 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. *Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)* Violations of these policies are penalized in the Company's Code on Right Employee Conduct. These policies are uploaded to the Company Website. Link: ***Meralco website:*** Other Policies: *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. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	

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	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. 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. 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. 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: **Corporate Governance Office** Manila Electric Company (Meralco)	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant		

		8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines Tel: (+632) 1622-2798 Mobile: 09088661670 email: cgo.staff@meralco.com.ph All reports will be referred to the CGO for preliminary validation. CGO will refer the reports to the Assisting Investigation Unit whenever necessary. 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. 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. CGO will report quarterly to the Board through the Nomination and Governance Committee or the Audit Committee (in case the Whistleblower alleged violations by the Internal Auditor/Corporate Audits) any progress in compliance with the handling of reports. The concerned offices shall ensure the confidentiality of the identities of the Whistleblower, the witnesses and the information disclosed, except under any of the following: a) the Whistleblower waives his right to confidentiality, or b) identification is required by law or when essential to an investigation. In either case, the Company shall inform the Whistleblower or the witnesses of the need to reveal their identities and/or information. 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 the assistance of the appropriate Assisting	

		Investigation Unit (AIU) to facilitate the investigation. The immediate Head shall exercise judgment in determining the appropriate office to seek assistance aside from those listed above. 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. 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. Links: ***Whistleblowing Policy (Speak Out Policy):*** *Speak Out Policy.pdf (amazonaws.com)*	

		Whistleblowing Report, Annex 1: *Microsoft Word - eReport Form (amazonaws.com)* ***Protection from Retaliation Form:*** *Microsoft Word - Retaliation Protection Report Form (amazonaws.com)* In 2023, 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. Links: ***Meralco website:*** Other Policies (meralco.com.ph) ***17-A Annual Report, page 522, 567*** *mer.ph/AnnualReport17A2022* ***Annual Report*** Annual Reports (meralco.com.ph)	
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			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	

relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.		One Meralco continues to strengthen its commitment to delivering and enabling the 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 2023, 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. 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. 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 Creating better lives for all. One Meralco brings meaningful and enduring value to all its stakeholders, ensuring no one is left behind. 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. ***SEC Form 17-A Annual Report, Sustainability Report section***	

		mer.ph/2023AR_17A One Meralco Foundation website (http://www.onemeralcofoundation.org/) 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. The Company's sustainability initiatives are discussed in a GRI-compliant Sustainability Report. Link: ***Meralco Sustainability Report 2022:*** mer.ph/AnnualReport17A2022 Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates. Meralco's preference for solar-based technology is a testament of the Company's support for the development of renewables, especially in 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 schools that rely on government subsidy for Maintenance.	

		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. Meralco pioneered an advocacy that educates the youth on essential topics pertaining to energy such as generation, distribution, efficiency, safety and renewables. The goal of the energy education program is to develop the capacity of teachers to impart energy concepts in an in-depth and contextualized manner, and provide students with resources that will help them develop innovative ways for communities to use electricity sustainably. Meralco takes on 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	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant		

		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. 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. 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 http://www.onemeralcofoundation.org/) The Company's sustainability initiatives are discussed in a GRI-compliant Sustainability Report. Link: ***SEC Form 17-A Annual Report, Sustainability Report section*** *mer.ph/2023AR_17A* *A copy the Company's Sustainability Report will also be posted in the Company Website on May 30, 2023, the date of the ASM, or immediately thereafter.* 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 MAY 28 2024.

ATTY. SIMEON KEN R. FERRER
CORPORATE SECRETARY

ATTY. WILLIAM S. PAMINTUAN
COMPLIANCE OFFICER

PEDRO EMILIO O. ROXAS
INDEPENDENT DIRECTOR

LYDIA B. ECHAUZ
INDEPENDENT DIRECTOR

RET. CHIEF JUSTICE ARTEMIO V. PANGANIBAN
LEAD INDEPENDENT DIRECTOR

MANUEL V. PANGILINAN
CHAIRMAN and CHIEF EXECUTIVE OFFICER

SUBSCRIBED AND SWORN to before me this MAY 28 2024, 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	Passport No. P9969361A	18 Dec 2018	DFA NCR EAST
RET. CJ ARTEMIO V. PANGANIBAN	Passport No. P0388884B	24 Jan 2019	DFA MANILA
PEDRO EMILIO O. ROXAS	Passport No. P0388893B	24 Jan 2019	DFA MANILA
LYDIA B. ECHAUZ	Passport No. P5609490A	15 Jan 2018	DFA NCR EAST
ATTY. SIMEON KEN R. FERRER	Passport No. P64214090B	03 Mar 2021	DFA NCR EAST
ATTY. WILLIAM S. PAMINTUAN	Passport No. P2095480B	05 May 2019	DFA NCR EAST

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Series of 2024

ATTY. DAVID T. TOLENTINO
Notary Public
Pasig, San Juan and Pateros
Issued on May 15, 2023 at Pasig City
Appointment No. 254 (2023-2024)
Roll No. 78611/IBP No. 371735 12/22/2023 RSM Chapter
PTR No. 1705864 01/18/2024 Pasig City
MCLE VIII-BEP002676-04/14/2028
9th floor Lopez Bldg. Ortigas Avenue, Pasig City