



**BOARD COMMITTEE PERFORMANCE ASSESSMENT FORM
(January 1 to December 31, 2015)**

Assessment Objective:

This questionnaire is intended for the members of the Board of Directors to assess the performance of the different Board Committees during the period 1 January to 31 December 2015 (CY 2015).

The MERALCO Board of Directors has organized Board Committees to assist in the performance of its duties and responsibilities and in ensuring compliance with the principles of good corporate governance.

Part of the process of ensuring that the Committees effectively discharge their functions is the conduct of an annual assessment of their performance by the Board of Directors.

INSTRUCTIONS

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

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

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

If you rated an item with 1 (Not at all Satisfied; Poor) or 2 (Slightly Satisfied; Needs Improvement), please state your reason on the space provided below for comments and suggestions so it can be addressed.

I. <u>PERFORMANCE OF NOMINATION AND GOVERNANCE FUNCTIONS</u>	1	2	3	4	5	2014 Rating
	NS	SS	S	MS	VS	
1. The Committee screens, identifies and recommends qualified individuals for nomination and election as Directors as well as those nominated for election to other positions requiring appointment by the Board. (SCG/MCG/CH)						
2. It assists the Board in assessing the effectiveness of the Board's processes and procedures in the election or replacement of Directors or Committee members and in designing the appropriate continuing education programs for them. (SCG/MCG/CH)						
3. It assists the Board in overseeing the development and implementation of policies and programs that will improve MERALCO's corporate governance principles and structures. (CH)						
4. It conducts an annual review of the Charters of all Board Committees and recommends the needed changes including Committee assignments and Chairmanships. (MCG/CH)						
5. It recommends the mechanism in evaluating the performance of the Board, Board Committees and Management and oversees the conduct of these evaluations. (MCG/CH)						
6. It reviews and monitors the structure, size and composition of the Board and recommends improvements to ensure its compliance to the applicable laws, regulations, listing rules and company policies. (CH)						
7. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS						

Note:

CH – Board Committee Charter
SCG – SEC Revised Code of Corporate Governance
MCG – MERALCO Revised Manual of Corporate Governance

II. <u>PERFORMANCE OF AUDIT FUNCTIONS</u>	1	2	3	4	5	2014 Rating
	NS	SS	S	MS	VS	
8. The Committee assists the Board in fulfilling its oversight function through the review and evaluation of the financial reporting process and adequacy and effectiveness of the system of internal controls, including financial reporting control and information technology security. (SCG/MCG/CH)						
9. It assists the Board in performing oversight responsibility over the Company's internal auditing functions and the appointment of the Internal Auditor. (SCG/MCG/CH)						
10. It assists the Board in performing oversight responsibilities in the selection and appointment process and performance of the External Auditor. (SCG/MCG/CH)						
11. It assists the Board in coordinating, monitoring and facilitating compliance of the Company with applicable laws, regulations, rules and company policies. (SCG/MCG/CH)						
12. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS						

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III. <u>PERFORMANCE OF RISK MANAGEMENT FUNCTIONS</u>	1	2	3	4	5	2014 Rating
	NS	SS	S	MS	VS	
13. It assists the Board in performing oversight responsibility over Management’s activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. (SCG/MCG/CH)						
14. It assists the Board in performing oversight responsibility of the Company’s risk management framework, the policies and processes adopted by Management with respect to risk identification and assessment, development of risk management strategies including the development and implementation of a Business Continuity Plan and monitoring of risk management performance						
15. It assists the Board in performing oversight responsibilities in the Company’s framework for fraud prevention and detection including its whistle blowing program						
16. It assists the Board in reviewing the appointment or replacement of the Enterprise Wide Risk Management (EWRM) Head who shall functionally report to the Committee and ensure effectiveness of the Company’						
17. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS						

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<u>III. PERFORMANCE OF REMUNERATION AND LEADERSHIP DEVELOPMENT FUNCTIONS</u>	1	2	3	4	5	2014 Rating
	NS	SS	S	MS	VS	
18. The Remuneration and Leadership Development Committee assists the Board in the formulation and development of the remuneration philosophy of the Company consistent with the culture, strategy and the business environment in which it operates. (SCG/MCG/CH)						
19. It assists the Board in overseeing the development the remuneration and leadership development of the Company and ensuring the alignment of such to its over-all philosophy and strategy. This includes, but not limited to, remuneration programs, retirement plans and long-term incentive plans. (MCG/CH)						
20. It assists the Board in overseeing the development and administration of Leadership Development/Succession Planning and Retention programs for executives and officers. This includes assistance to the Board in the performance evaluation, succession planning and remuneration for the CEO/COO/CFO/Corporate Secretary. (MCG/CH)						
21. It review and endorse for ratification of the Board all promotions to the rank of Vice President up to Sr. EVP positions below the CEO/COO/CFO						
22. It evaluates the appropriate compensation for the Board of Directors (CH)						
23. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS						

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<u>IV. PERFORMANCE OF FINANCE FUNCTIONS</u>	1	2	3	4	5	2014 Rating
	NS	SS	S	MS	VS	
24. The Finance Committee assists the Board in reviewing financial matters involving the management and operation of the Company. (MCG/CH)						
25. It advises the Board on all major financing transactions, principal agreements and capitalization requiring Board approval and makes appropriate recommendations for their consideration. (MCG/CH)						
26. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS						

If you rated an item with 1 (Not at all Satisfied; Poor) or 2 (Slightly Satisfied; Needs Improvement), please state your reason on the space provided below for comments and suggestions so it can be addressed.

Accomplished by:

Date Accomplished:

Printed Name and Signature

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