Corporate Governance

CODE OF BUSINESS CONDUCT AND ETHICS

Version 2.0
July 25, 2022

SENSITIVITY CLASSIFICATION: [Confidential]

1. Policy Statement

Manila Electric Company ("MERALCO" or the "Company") recognizes that sound business ethics plays an integral part in fostering the success of the Company and thereby, enjoins all its Directors, Officers, and Employees to observe the highest degree of business conduct and ethics and accordingly, adhere to this Code of Business Conduct and Ethics ("Code") when performing their respective duties and responsibilities to the Company and in their relationships among themselves, or with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public.

2. Scope

This Code applies to and shall be implemented by, all members of the Board of Directors (each a "Director" and collectively, the "Directors"), Officers (each, an "Officer" and collectively, the "Officers"), Employees (each, an "Employee" and collectively, the "Employees"), and Consultants (each, an "Consultant" and collectively, the "Consultants") of MERALCO.

3. Definition of Terms

3.1 **Consultants** – includes professional consultants, advisors, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to the Company as well as advisors of the Company who may be appointed by the Board of Directors or management.

3.2 **Customers** – individuals or entities with existing contracts with and avail, or intending to avail of services, from the Company.

3.3 **Employees** – all persons other than Officers, under the employ and in active payroll of the Company, including probationary employees and on-the-job trainees.

3.4 **Gifts** – may be a right or thing of value, like cash or cash equivalent, loan, fee, reward, commission, allowance, employment, travel and benefits.

Following are examples of gifts referred to on this document:

3.4.1 **Entertainment** – any form of hospitality such as meals for Directors, Officers, Employees, or Consultants given by Third-Party Business Partners.

It also covers spectator and participative activities (i.e., parties, shows, concert, golf, fishing, and other similar activities).

3.4.2 **Expensive Gifts** – gifts with equivalent money value or market price above the nominal value.

3.4.3 **Perishable Gift** – items such as food, flowers or other similar items subject to decay, spoilage and expiration within a month.

3.4.4 **Non-perishable Gift** – includes non-food or non-beverage item, as well as any food or beverage that does not fall under the scope of perishable gifts, such as, but not limited to, gift baskets with bottled/preserved food, packed biscuits/cookies, canned goods or liquor.

3.4.5 **Personal Gift** – gifts solicited or received from friends, relatives, co-employees and entities with no existing or expected transactions with the receiver and are not considered Third-Party Business Partners of the Company.

3.4.6 **Sponsored Travel** – any travel, accommodation and/or attendance/ participation in conferences, conventions, seminar, trainings, international or domestic, whether for personal or business purposes, the costs of which are fully or partially paid for by Third-Party Business Partners.

3.4.7 **Token Gifts** – gifts of nominal value (regardless of whether it is perishable or non-perishable).

3.5 **Relatives –** persons related up to the third degree, by consanguinity, affinity or legal adoption, including the spouse, parents, children (and their spouses) siblings, (and their spouses), nieces and nephews (limited to children of brothers or sisters) [and their spouses], grandparents, and aunts and uncles (limited to sisters or brothers of parents); and the common-law spouse and/or his relatives of up to the third degree, by consanguinity, affinity or legal adoption. For purposes hereof, Relatives shall include first cousins.

3.6 **Third-Party Business Partners –** individuals, entities, organizations and/or their representatives, including MERALCO subsidiaries or affiliates, that have existing and/or intended business dealings with the Company. This shall include but not limited to prospective or existing suppliers, contractors, buyers, government agencies, content providers, media, agencies, dealers, customers, or all other business partners who are or may be similarly situated.

3.7 **Vendors –** Third-Party Business Partners who/which provide the needed goods or services to the Company including Consultants.

4. Principles

All the decisions, actions and interactions of MERALCO Directors, Officers and Employees must, at all times, be consistent with the following governance principles:

4.1 **Fairness**— upholding the value of justice and fair play
4.2 **Accountability**— taking full responsibility for all business decisions, actions/inactions, and conduct;
4.3 **Integrity**— acting righteously, morally and legally
4.4 **Transparency**— being open to engaging effectively with stakeholders
4.5 **Honesty**— uphold the value of truthfulness

5. Standards

Below are the commitments of MERALCO, its Directors, Officers, and Employees in their behavior and various business dealings as well as personal activities that may affect the Company in any manner:

5.1 Compliance

5.1.1 Engage in honest conduct and comply with all laws, rules and regulations governing the business operations of the Company.
5.1.2 Personally adhere to the requirements and restrictions imposed by the Company's standards, policies, rules and procedures as well as by applicable laws, rules and regulations including those relating to employee health and safety, fair conditions of labor, human dignity, and freedom of association.
5.1.3 Avoid the commission of any act that may be construed as bribery and/or corruption, as defined by law or by the Company's policies, to facilitate any transaction or gain any perceived or actual favor or advantage.

5.2 Competition and Fair Dealing

5.2.1 Treat everyone with respect and be guided by professionalism, integrity, and good faith in transactions with and obligations to the Company's customers, vendors, other third-party business partners, government, regulators, creditors, competitors and employees. In this regard, the Company, its directors, officers, and employees shall:

5.2.1.1 Commit to provide the Company's customers the best value energy solutions – reliably, affordably, superbly, and sustainably;

5.2.1.2 Treat the employees and applicants for employment fairly and not discriminate on account of gender, religion, age, nationality/ ethnicity, family status, or any other reasons prohibited by law. The hiring, training, compensation, and other standards of labor should be based on qualification, merit and performance.

5.2.1.3 The Company shall foster harmonious relations among its employees based on mutual understanding, trust and respect.Select, engage and compensate consultants, contractors and other third-party business partners based on qualification and labor and performance standards.Our Company shall foster harmonious relations among its employees based on mutual understanding, trust and respect.

5.2.2 Avoid taking undue advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other form of deceptive or anti-competitive practice.

5.3 **Confidentiality of Information and Proper Use of Property**

5.3.1 Safeguard the confidentiality of information entrusted by the Company, its subsidiaries, affiliates, customers, or other third-party business partners with which the Company relates, except when disclosure is authorized or legally mandated.

5.3.1.1 Confidential information includes any non-public information that might be of use to competitors, or harmful to the Company, its subsidiaries, affiliates, customers, or other third-party business partners with which the Company relates, if disclosed.

5.3.1.2 This confidentiality obligation shall survive the separation from the Company of its Directors, Officers or Employees due to retirement, resignation, termination, expiration of term of office, or expiration or termination of contract, or any other cause.

5.3.2 Maintain the integrity of all information, data, books, records, files and other documents entrusted by the Company or in relation to its business and protect them against unauthorized or improper alteration, forgery, falsification, tampering, concealment, or destruction. As such, the Company's property, systems, time, and resources:

5.3.2.1 Should be used efficiently, responsibility and only for legitimate purposes.

5.3.2.2 Should be used, maintained, processed, retained, or destroyed only in accordance with applicable laws and Company policies and standards.

5.3.2.3 Should always be protected against loss, damage, misuse, abuse or theft.

5.3.2.4 Should be made available for any audit or investigation by, or proceeding before, any official Company committee, body, or organization as well as governmental, regulatory, or judicial body having jurisdiction.

5.3.3 Not take undue advantage of material non-public information by dealing in the securities of MERALCO while in possession of such information. Material non-public information refers to any information that is likely to affect the market price of the Company's securities and is not yet publicly disclosed.

5.3.4 Respect and uphold the confidential and proprietary information of other companies and 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.

5.4 Conflict of Interest

5.4.1 Act in the best interest of the Company and avoid activities, situations or associations which could impair the ability of the Directors, Officers, and Employees to perform their work in the Company's interest or where even the appearance of a conflict of interest may arise.

5.4.2 A conflict of interest occurs:

5.4.2.1 When the private interest of a director, officer or employee interferes or appears to interfere in any way with the interests of the Company as a whole; or

5.4.2.2 When a director, officer or employee takes actions or has interests that make or appear to make it difficult to perform his/her work objectively and effectively.

5.4.3 Possible conflict of interest situations include, but are not limited to, the following, , with the corresponding principles or standards to be observed by Directors, Officers, and Employees:

5.4.3.1 **Corporate Opportunity**

Directors, Officers, and Employees should not take for themselves opportunities acquired through the use of corporate property, information or position/influence for personal gain, to compete with the Company, or act against the best interest of the Company.

5.4.3.2 **Relationships**

Directors, Officers, and Employees should avoid any actual or apparent conflict of interest and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest. Business decisions should not motivated by personal considerations and/or relationships, which may interfere with the exercise of independent judgment that affects the interest of the Company in the performance of duties to the Company.

5.4.3.3 **Gifts**

5.4.3.3.1 The Company restricts the solicitation or acceptance of gifts in any form from a third party-business partner, directly or indirectly in consideration of any act, omission, or transaction of the Company favorable to such a third party-business partner.

5.4.3.3.2 The restriction shall not apply to the following, among others:

- personal gifts received from friends, relatives, co-employees and entities with no existing or expected transactions with the receiver and are not considered Third-Party Business Partners of the Company;
- Token gifts, i.e., nominal gifts, given during seminars, conventions, or on occasions of rejoicing or celebrations like Christmas or birthdays.
- Nominal gifts or tokens of appreciation given to a Director, Officer, Employee, or Consultant for participating as speaker, facilitator, or reactor in conferences or seminars sponsored or organized by Third-Party Business Partners; provided, however, that the other speakers, facilitators and/or reactors are also given similar gifts or tokens of appreciation by said Third-Party Business Partners.
- Courtesy discounts given to Directors, Officers, Employees, or Consultants by Third-Party Business Partners due to personal purchases of products and services from Third-Party Business Partners; provided, that such discounted purchases are made openly, and the same terms are made available to all other buyers or customers.
- Raffle tickets (or prizes won from such raffle tickets) and other promotional items, regardless of the value, given to the Directors, Officers, Employees, or Consultants for their attendance to certain events (including but l not be limited to athletic or social events, or Christmas parties and the like), conferences, seminars, or product presentations of Third-Party Business Partners; provided, however, that the other participants are likewise entitled to such raffle tickets and given equal opportunity to win prizes.
- Gifts or donations for Corporate Social Responsibility (CSR) programs or initiatives, including outreach or charitable works of the

Company's officially recognized employee organizations, such as medicines for medical missions, food and supplies for calamities, and materials for community development, provided that the solicitation or acceptance shall be through the Corporate Social Responsibility Office/ One Meralco Foundation.

5.4.3.4 **Outside Investments**

Directors, Officers, and Employees should avoid taking part in, or influence, the decisions of the Company involving business transactions with entities in which they have a personal relationship or substantial financial interest.

5.4.3.5 **Outside Employment**

5.4.3.5.1 Directors, Officers, and Employees should avoid activities and interests that could significantly affect the objective or effective performance of their duties and responsibilities in the Company or which presents a situation that could compete or go against the interests of the Company, including business interests or unauthorized employment outside the Company.

5.4.3.5.2 Rendering outside professional work which presents potential conflict of interest, include, but are not limited to:

- When a Director, Officer or Employee is employed by, or have a consultancy agreement with an entity which is a competitor of the Company
- When a Director, Officer, or Employee serves as a director, manager, or member of the board of directors of an entity which is a competitor of the Company.

5.4.4 Within one (1) year after separation from service, any officer of the Company holding the position of Chief Executive Officer (CEO), Chief Financial Officer (CFO), and any other key officer or employee who had regular access to confidential, classified or restricted information shall not enter into or accept any employment, consultancy, management or any form of service contract with any person, corporation or entity that directly competes with the business of the Company.

5.4.5 Refrain from grant or arrangements of loans to any Director or Officer unless allowed by applicable laws and regulations.

5.4.6 Promptly disclose any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest for appropriate resolution and disposition. Directors should immediately disclose any potential or actual conflicts of interest and should abstain from participating in any discussions or decisions on said matters when elevated to the Board.

5.5 **Communication and Disclosure**

5.5.1 Strictly comply with the Company's disclosure controls and procedures and internal controls requirements and not knowingly misrepresent, or cause others to misrepresent facts or information about the Company to others, whether inside or outside the Company, including the Company's external auditors, government regulators and self-regulatory organizations.

5.5.2 Ensure that the contents of, and the disclosures in, reports and documents that the Company files with, or submits to the Securities and Exchange Commission (the "SEC"), Bangko Sentral ng Pilipinas ("BSP"), other government agencies or regulators and all other Company's public communications are complete, fair, accurate, timely and understandable in accordance with applicable disclosure statutes, listing rules, and standards of materiality.

5.5.3 Establish open communication links and make the appropriate disclosures regarding our corporate goals, objectives, rules, financial positions, material transactions with related parties, and prospects to all our stakeholders.

5.5.4 Actively encourage employees to actively participate in discussions and raise any legitimate work-related concern or issue.

5.6 **Risk Management and Internal Control**

5.6.1 Track and manage risk in the delivery of the Company's commitments to the stakeholders. Monitoring and reporting of risk should be embedded as part of performance reporting in all levels of the Company.

5.6.2 Designate process owners to assess the risks of respective processes, design and implement necessary controls and procedures to mitigate the risks.

5.6.3 Ensure that internal organizational and procedural controls are embedded to support the operations of the different organizations within the Company.

5.7 Shareholders and Investors Relations

5.7.1 Respect and protect the rights of the Company's shareholders, including their right to a fair return on their investment. In this regard, Directors, Officers, and Employees should restrict or minimize the undertaking of risk so as not to jeopardize shareholder value. They fully assess and manage risks involved in undertaking strategies, acquisitions, activities, products, services and other business endeavors of the Company and adopt strategies, actions, decisions and transactions based on increasing shareholder value.

5.7.2 Comply with corporate governance requirements issued by the regulators and adopt best practices of good corporate governance in the conduct of business.

5.7.3 Ensure an independent audit of the Company's financial statements by external auditors.

5.7.4 Maintain complete and accurate books of accounts and records in accordance with the applicable provisions of law and generally accepted accounting principles and standards.

5.7.5 Monitor the adequacy and effectiveness of the financial reporting, governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations.

5.8 Government and Regulatory Relations

5.8.1 Maintain the right to any and all legal rights and remedies and invoke all administrative, judicial or other remedies.

5.8.2 Cooperate with regulators and advocate for change and reform within the bounds of law.

5.9 Community Relations

5.9.1 Support socio-economic projects that improve the lives of the people, especially projects within the Company's franchise area.
5.9.2 Conduct our business and maintain workplace in accordance with applicable health, safety and environmental laws.
5.9.3 Consider the impact of business operations, projects and transactions on the environment and the communities and ensure compliance with environmental, safety and health regulations and standards.
5.9.4 Render immediate assistance in times of natural calamities and accidents to ensure that any danger to life or property is minimized and our operations, installations or facilities are restored as soon as possible.
5.9.5 Provide timely and adequate information on matters that affect the general public.

6. Guidelines

6.1 Roles and Responsibilities

6.1.1 Board and Nomination and Governance Committee

6.1.1.1 Review and approve the Code and its amendments;
6.1.1.2 Oversee implementation of the Code;
6.1.1.3 Monitor non-compliance with the provisions; or deviations from the ethical principles embodied therein.

6.1.2 Corporate Governance Office

6.1.2.1 Implement and monitor compliance with this Code and other corporate governance policies throughout the organization;
6.1.2.2 Define the process by which such policies are implemented and monitored including appropriate mechanisms and control to ensure compliance across the organization;
6.1.2.3 Interpret the provisions of the Code and decide on issues arising from its implementation;
6.1.2.4 Facilitate the conduct of investigation of any alleged violation of the Code.

6.1.3 Directors, Officers, and Employees

6.1.3.1 Commit to strictly comply with this Code and endeavor the same commitment from the Company's third-party business partners;

6.1.3.2 Consult with the CGO or with the appropriate offices with the authority to enforce specific Code guidelines issued pursuant to this Code when in doubt about the best course of action in a particular situation relating to a subject matter of this Code;

6.1.3.3 Report to CGO any potential or existing violation of the Code that may come to their knowledge.

6.1.4 Organizational Heads and Next Level Superiors

6.1.4.1 Monitor, ensure, and enforce compliance with this Code within their area of jurisdiction;

6.1.4.2 Report non-compliance with this Code to their hierarchy and to the CGO, including taking or implementing disciplinary actions after proper exercise of due process.

6.1.5 Employee and Labor Relations

Conduct necessary administrative investigation and monitor imposition of corresponding disciplinary actions for confirmed violation of the Code and its corresponding sanction under the Code of Right Employee Conduct (COREC).

6.1.6 Internal Communications

Assist CGO in disseminating this Code to all Officers and Employees and support in the internal communication of information and compliance programs relating to the Code.

6.1.7 HR—Learning and Development

Assist CGO in providing the necessary training and learning programs related to compliance with the Code.

6.2 Waiver

There shall be no waiver of any of the provisions of this Code in favor of any Director, Officer, or Employee, except when expressly granted by the Board of

Directors in case of waivers for Directors, the President and CEO in case of Officers, and the Organizational Head or Next Level Superior in case of Employees.

6.3 **Commitment**

6.3.1 Officers and Employees shall ensure full understanding of the Code, and shall commit to strictly abide by its provisions.

6.3.2 Officers and Employees shall annually sign a Statement of Commitment to the General Corporate Governance Guidelines, confirming that they have read, among others, this Code and agree to comply with the behavioral standards and norms set forth therein (**Annexes "A," "B," and "C"**).

6.3.3 Failure to read and confirm knowledge of this Code will not be an excuse for non-compliance.

6.4 **Reporting and Investigation of Violations**

6.4.1 Directors, Officers, and Employees shall have the duty to report any observed violations of this Code and to communicate the same to the Organizational Heads or Next Level Superiors or the CGO, whenever appropriate.

6.4.2 The Company shall take steps to ensure the protection of those who report violations in good faith.

6.4.3 The Company shall impose sanctions on those who attempt to conceal or hamper the investigation of any violation of this Code.

6.4.4 The Company shall take all reports of potential violations of this Code seriously and shall commit to confidentiality and exercise of due process for the investigation of allegations.

6.4.5 Officers and Employees who shall be under investigation for potential or actual violation of this Code shall have an opportunity to be heard prior to any final decision of the Company.

6.4.6 Any administrative investigation or penalty imposed under the provisions of this Code shall be independent of, and without prejudice to, any other legal action that may be instituted against the party concerned under existing laws and regulations.

7 Implementing Guidelines

Appropriate implementation guidelines and monitoring and measuring systems shall be developed by CGO to ensure full copliance with the Code by all Directors, Officers, and Employees.

8 Communication and Training Process

8.4 CGO, in partnership with Internal Communications, shall ensure the thorough dissemination of this Code and related information to all employees and related third-party business partners;

8.5 All Directors, Officers and Organizational Heads shall enjoin compliance in the process including ensuring that their direct reports undergo appropriate training or learning program to be conducted by HR- Learning and Development.

9 Penalties

Non-compliance with this Code and corresponding policy guidelines shall be investigated and meted the corresponding penalties in accordance with the applicable provisions of Code on Right Employee Conduct (COREC).

10 Review

This Code shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Board of Directors, appropriate Board committee, or the Compliance Officer.

11 Effectivity

This Code was approved by the Board of Directors on July 25, 2022. It shall be published in the Website of the Company and shall take effect immediately. It supersedes the previous Code of Ethics that was approved and adopted by the Company on March 15, 2003 and September 27, 2010.

Annex "A:" General Corporate Governance (CG) Guidelines for Directors, Officers and Employees

MERALCO

GENERAL CORPORATE GOVERNANCE (CG) GUIDELINES

The Corporate Governance (CG) Guidelines ("CG Guidelines") outlines the standards of corporate governance that Manila Electric Company ("MERALCO" or the "Company") expects from all its Directors, Officers and Employees. It aims to promote a culture of good corporate governance by ensuring that its Directors, Officers and Employees observe and maintain MERALCO's governance principles of fairness, accountability, integrity, transparency, and honesty in all their decisions, transactions and interactions when performing their respective duties and responsibilities to the Company and in their relationships among themselves, or with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public.

A. Compliance with Laws and MERALCO Policies and Standards

1. Directors, Officers and Employees shall abide by all applicable laws, rules and regulations and MERALCO internal policies and standards, including without limitation, those pertaining to Code of Business Conduct and Ethics and policies on gifts, conflict of interest, and bribery and corruption.
2. Directors, Officers and Employees shall not take part in an illegal or unethical collusion or any other arrangement or agreement with any MERALCO Director, Officer, Employee, or Consultant, or with Third-Party Business Partners ("Business Partners")[1].

B. Conflict of Interest

1. Directors, Officers and Employees shall avoid situations or events which may give rise to or result in a Conflict of Interest Situation[2].

[1] **Third-Party Business Partners** pertain to individuals, entities, organizations and/or their representatives, including MERALCO and its subsidiaries or affiliates, that have existing and/or intended business dealings with the Company. This shall include but not limited to prospective or existing suppliers, contractors, buyers, government agencies, content providers, media, agencies, dealers, customers, or all other business partners who are or may be similarly situated.

[2] **Conflict of Interest Situation** refers to a situation where financial or business interest, professional, or other personal considerations or interests may influence, jeopardize or compromise, or have the appearance, tendency or propensity of influencing, jeopardizing or compromising, the ability of Directors, Officers or Employees to effectively and impartially or objectively exercise independent judgment in the performance of their duties, responsibilities or professional activities in the Company.

2. As soon as a Director, Officer or Employee becomes aware of an actual or potential a Conflict of Interest Situation, said Director, Officer or Employees must declare this in a **Conflict of Interest Disclosure Form** to be approved by the following and submitted to the Corporate Governance Office at 8F Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, or through cgo.staff@meralco.com.ph:

REPORTING PERSON	CLEARANCE/ APPROVING AUTHORITY
Employee	Organizational Head/ Immediate Superior
Organizational Head	Next Level Superior/ Group Head
Officer (except President/CEO)	President and CEO
Director and President and CEO	Chairman of the Board of Directors

C. Gifts[3], Entertainment[4] and Sponsored Travel[5]

1. Directors, Officers and Employees shall strictly comply with MERALCO Gifts Policy. In particular:
   a. Gifts in cash, gift certificates or other cash equivalents of any amount shall not be allowed;
   b. Gifts with value that exceeds Four Thousand Pesos (P4,000.00) shall not also be allowed;, except for: (i) donations to MERALCO-sponsored corporate social responsibility (CSR) programs, (ii) courtesy discounts given to MERALCO Directors, Officers, and Employees by Business Partner due to personal purchases of products and services from Business Partner, (iii) raffle prizes for attendance in open conferences or product presentations where other participants are given equal opportunity to win such prizes; (iv) gifts given in connection with actual participation as speaker or facilitator in conferences or seminars, provided similar gifts are given to the other speakers or facilitators; and (v) token gifts given during seminars, conventions, or on occasions of rejoicing or celebrations like Christmas or birthdays;
2. Unless allowed as an exception herein, Directors, Officers and Employees shall not accept Entertainment or any form of hospitality such as: (i) meals and spectator or participative activities such as golf, music, sailing and other similar activities; (ii) the use of property of Business Partner (or that of its employees, agents and/or representatives) such as, but not

[3] **Gifts** as used herein shall mean a thing(s), present, sponsorships, or any other personal benefit given by a Business Partner to a MERALCO director, officer, employee, consultants, or any of their Relatives with whom they transact, whether directly or indirectly, in relation to MERALCO business dealings, and regardless of the place where such Gifts are offered to or received by a director, officer, employee or consultant.

[4] **Entertainment** as used herein shall mean refers to any form of hospitality such as meals for MERALCO directors, employees and consultants given by a Business Partner. It also covers spectator and participative activities (i.e., golf, music, sailing, and other similar activities).

[5] **Sponsored Travel** as used herein shall mean any travel, accommodation and/or attendance/participation in conferences/conventions/seminars, international or domestic, whether for personal or business purposes, the costs of which are fully or partially paid for by a Business Partner.

limited to, vehicles, beach houses, resorts and vacation hours whether for personal benefit or company purpose; and (iii) sponsorship for company activities, non-company supported charitable works and personal events such as birthdays, weddings, baptisms, etc.

a. Meals during business meetings are acceptable;
b. Invitations to theater, concerts or social/sports events may be accepted provided such invitations are generally available to others in the same community, category or industry.

3. Directors, Officers and Employees shall not accept from Business Partners sponsorship for travel, accommodation and/or registration expenses unless expressly allowed herein or duly approved by MERALCO's Chairman or the President, as the case may be.
   a. Complimentary travel and accommodation for trainings if part of an approved/existing contract and deemed beneficial to MERALCO are allowable;
   b. Sponsored travel to local and/or international business/industrial site to demonstrate actual performance of their products/systems (i.e. Proof of Concept) is allowable, provided the purpose of the travel is business in nature and has a direct benefit to MERALCO and knowledge of the participants for the travel would be valuable to the evaluation of the system and directly related to his job function.

D. Anti-Bribery and Corruption[6]

1. Directors, Officers and Employees shall comply at all times with all applicable anti-bribery and anti-corruption laws.
2. Directors, Officers and Employees shall not engage in corporate gift-giving to public and private individuals or entities when it constitutes bribery or corruption. Directors, Officers and Employees shall not offer, accept, promise, pay, permit or authorize bribes and kickbacks, which include giving gifts to the Company's directors, officers, employees or consultants or other means to obtain an undue or improper advantage.

E. Corporate Governance Commitment

Directors, Officers and Employees shall signify their commitment to uphold the standards of corporate governance outlined in the guidelines provided herewith by signing the CG Guidelines Commitment Form. Violations of this CG Guidelines shall be subject to appropriate administrative actions and sanctions in accordance with existing company policies.

[6] **Bribery and corruption** is committed by offering or receiving an undue reward by, or to, any government office, officer or employee or to any director, officer or employee of a private entity with which the Company has potential or existing business transaction, designed to influence him/her in the exercise of his/her duty, or to induce him/her to act contrary to law or to accepted standards of fairness, integrity and honesty, or to secure any improper business advantage. Acts defined under applicable laws[6] as bribery or corruption are likewise covered by this Policy.

F. Report of Corporate Governance Violations

1. Directors, Officers and Employees are encouraged to report any activity or transaction that appears to be fraudulent or illegal or otherwise in violation of Company rules, regulations, and policies by sending a complaint to the Corporate Governance Office at 8F Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, or through cgo.staff@meralco.com.ph. Directors, Officers and Employees shall be protected from retaliation occasioned by the filing of the whistleblowing report.
2. Reports must be made in good faith. Any information or allegation must be substantially true and must not be intended primarily and solely for one's personal gain. When a report is done in good faith and later on is found unmeritorious, no adverse action that will be taken against the reporting person. However, this assurance shall not apply to malicious reporting or when the reporting person is also found to have been involved in the violation.
3. The identity of the reporting person and his contact information are encouraged to be disclosed. The identity of the whistleblower, the witnesses and the information disclosed, shall be treated confidential 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.

G. Effectivity and Amendment

The CG Guidelines took effect/shall take effect upon approval of the specific CG Policies on the matter. MERALCO may amend or supplement this CG Guidelines, subject to prior notice to the Business Partners.

Annex "B:" Statement of Commitment to General CG Guidelines (leadship position)

MERALCO

Statement of Commitment to General Corporate Governance (CG) Guidelines

I. I understand that Manila Electric Company ("MERALCO" or the "Company") is committed to uphold the fundamental corporate governance principles of fairness, accountability, integrity, transparency, and honesty and accordingly, expects its Directors, Officers and Employees to adhere to these principles and observe the highest standard of business ethics.

II. I have been given an orientation on the Company's Corporate Governance policies and programs and/or have read the relevant Corporate Governance policies, including the General Corporate Governance (CG) Guidelines for Directors, Officers and Employees of MERALCO, and I fully understand that these policies and guidelines shall serve as my guiding principles in all my decisions, transactions and interactions when performing my duties and responsibilities to the Company and in my relationships with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public.

III. Having fully read and understood the CG Guidelines, I therefore commit to:

A. Personally exhibit and promote the highest standards of honesty and ethical conduct, including personal compliance with these Guidelines;
B. Avoid engaging in any activity and/or situation that may violate the said Guidelines, or give rise to a Conflict of Interest involving myself or any of my Affiliated Parties;[i]
C. Inform, seek consultation and/or clearance from MERALCO Corporate Governance Office for guidance on activities that may lead to Conflict of Interest situations;
D. Comply with disclosure requirements of the Company and ensure that the same is timely, complete and accurate; and
E. Promptly report to MERALCO Corporate Governance Office, situations or events committed by any director, officer, employee, representative or third party of the Company that may result to violation of the Guidelines and other relevant Company policies and procedures.

F. As the leader of my organization/team, I further commit to:

A. Establish practical control processes that require and encourage employees under my supervision to carry out their duties and responsibilities in a manner that achieves the control objectives of the Company defined under the Management Control Policy involving: data, employee actions, organization's resources, quality business processes and organizational objectives;

B. Ensure that all the employees under my supervision shall receive copies or have access to relevant Corporate Governance policies, including the COE, COI, and data privacy and security policies among others, and shall be informed of their responsibilities under such policies;

C. Monitor, ensure, and enforce compliance of employees under my supervision with the COE, COI, laws, rules, regulations, or other similar Company policies and procedures; and

D. Ensure that all newly-hired employees under my supervision have completed or are scheduled to complete an orientation on Company's corporate governance structure and principles.

G. I understand that my non-compliance with these Guidelines shall result in appropriate sanctions by the Company.

H. I hereby represent that I authorized to sign and accept this document.

Signed on this ____ day of _______________. 20 ___.

____ __________________

Printed Name and Signature Date Signed

Position Title: _____________________________________

[i] **Affiliated Party** refers to any person, natural or juridical, other than the Company, with which a Director, Employee, or Officer of the Company has a financial, professional or personal relationship or interest. (Refer to Meralco Conflict of Interest Policy for details of Affiliated Party

Annex "C:" Statement of Commitment to General CG Guidelines (non-leadship position)

MERALCO

Statement of Commitment to General Corporate Governance (CG) Guidelines

I. I understand that Manila Electric Company ("MERALCO" or the "Company") is committed to uphold the fundamental corporate governance principles of fairness, accountability, integrity, transparency, and honesty and accordingly, expects its Directors, Officers and Employees to adhere to these principles and observe the highest standard of business ethics.

II. I have been given an orientation on the Company's Corporate Governance policies and programs and/or have read the relevant Corporate Governance policies, including the General Corporate Governance (CG) Guidelines for Directors, Officers and Employees of MERALCO, and I fully understand that these policies and guidelines shall serve as my guiding principles in all my decisions, transactions and interactions when performing my duties and responsibilities to the Company and in my relationships with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public.

III. Having fully read and understood the CG Guidelines, I therefore commit to:

A. Personally exhibit and promote the highest standards of honesty and ethical conduct, including personal compliance with these Guidelines;

B. Avoid engaging in any activity and/or situation that may violate the said Guidelines, or give rise to a Conflict of Interest involving myself or any of my Affiliated Parties;[i]

C. Inform, seek consultation and/or clearance from MERALCO Corporate Governance Office for guidance on activities that may lead to Conflict of Interest situations;

D. Comply with disclosure requirements of the Company and ensure that the same is timely, complete and accurate; and

E. Promptly report to MERALCO Corporate Governance Office, situations or events committed by any director, officer, employee, representative or third party of the Company that may result to violation of the Guidelines and other relevant Company policies and procedures.

F. I understand that my non-compliance with these Guidelines shall result in appropriate sanctions by the Company.

G. I hereby represent that I authorized to sign and accept this document.

Signed on this ____ day of _______________. 20 ___.

____ __________________

Printed Name and Signature Date Signed

Position Title: _____________________________________