

**LEVEL 2. BONUS ITEMS****A. Rights of shareholder**

**A.1. Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.**

A.1.1(B).	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	<b>OECD Principle II (C)</b> (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	N/A	
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**B. Equitable treatment of shareholders****B.1. Notice of AGM**

B.1.1(B).	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<b>OECD Principle II (C)</b> (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.  <b>OECD Principle III (A)</b>  <b>ICGN 8.3.2 Shareholder participation in governance</b> Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual	Y	<b>MEMABA Notice of the 2017 Annual General Membership Meeting</b>  <a href="http://memaba.com.ph/category/news/page/5/">http://memaba.com.ph/category/news/page/5/</a>  <i>The Notice for 2017 Annual General Membership Meeting was released on October 13, 2017, sixty (60) days before the Annual General Membership Meeting.</i>
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		<p>basis and also the right to appoint external auditors.</p> <p><b>ICGN 8.4.1 Shareholder ownership rights</b> The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p><b>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2.</b> <b>(I) CG rules and practices</b> (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>		
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## C. Roles of Stakeholders

### C.1. The rights of stakeholders that are established by law or through mutual agreements are to be respected:

<b>C.1.1(B)</b>	Does the company practice integrated report on its annual reports?	<p><b>International &lt;IR&gt; Framework - DRAFT ,IIRC Council Item 3b Meeting of 5 December 2013</b></p> <p>“Integrated Reporting &lt;IR&gt; promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by &lt;IR&gt; as the corporate reporting norm.”</p>	Y	<p><b>MEMABA 2017 Annual Report</b></p> <p><a href="http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf">http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf</a></p>
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## D. Disclosure and transparency

### D.1. Quality of Annual Report

D.1.1(B)	Are the audited annual financial reports released within 60 days?	<b>OECD Principle V (C)</b> <b>OECD Principle V (E)</b> <b>ICGN 7.2 Timely disclosure</b> <b>ICGN 7.3 Affirmation of financial statements</b> The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	N	
D.1.2(B)	Does the Company disclose details of the remuneration of the CEO?		Y	<p><b>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Remuneration Pages 26 to 27</b></p> <p><a href="http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=26">http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=26</a></p> <p>The president CEO for the year 2017 is Mr. Ricardo L. Concepcion.</p> <p><i>“The Trustees and Officers of the Association do not receive any compensation or remuneration from the Association. What is only given is Php500.00 as per diem for every regular and special Board meeting attended to cover the gasoline and transportation expenses they have incurred in attending the meetings, and monthly honorarium of Php2,000, although the By-Laws states that a Trustee shall received a monthly allowance to be fixed by the Board but in no case to exceed Php2,500, being provided in recognition of their responsibilities and the potential liability they assume in signing different corporate documents. The Board may pass a resolution granting performance-based incentive bonus to the Trustees that shall be called the MEMABA Incentive Plan (MIP) subject to specific performance targets as set by the Board of Trustees within the first quarter of the ensuing year. The said MIP is also subject to limitations such as the Trustees’ total amount shall be part of the administrative expenses of the Association capped by law at twenty percent (20%), and total amount received by each Trustee of Officer, including monthly allowances,</i></p>

			<p><i>per diem for special Board meetings and MIP, should not exceed Php150,000 per annum. The monthly allowance, per diem and MIP provided above is both for Regular and Independent Trustees of the Association. The criteria in changing the monthly allowance, per diem and MIP of the members of the Board of Trustees need approval by the members during the Annual General Membership Meeting as part of amending the Association's By-Laws.</i></p> <p><i>The total amount received by the Trustees and Officers for the year 2017 is Php1,242,000 inclusive of monthly allowance and performance-based incentive.</i></p> <p><i>The following are the remuneration received by each Trustee for the year 2017:</i></p> <table border="1"> <thead> <tr> <th><b>MEMBERS</b></th> <th><b>AMOUNT</b></th> </tr> </thead> <tbody> <tr> <td><b>RICHARD O. OCHAVA</b> <i>(Chairman)</i></td> <td>PHP138,000</td> </tr> <tr> <td><b>ZENON MARTHY M. REGINO</b> <i>(Vice-Chairman)</i></td> <td>138,000</td> </tr> <tr> <td><b>RICARDO L. CONCEPCION</b> <i>(President)</i></td> <td>138,000</td> </tr> <tr> <td><b>JESS A. CANDELARIA</b> <i>(Vice – President)</i></td> <td>138,000</td> </tr> <tr> <td><b>BULAKLAK A. VIVAS</b> <i>(Corporate Secretary)</i></td> <td>138,000</td> </tr> <tr> <td><b>RICARDO S. GONZALEZ</b> <i>(Treasurer)</i></td> <td>138,000</td> </tr> <tr> <td><b>WINSTON A. DELOS REYES</b> <i>(Auditor)</i></td> <td>138,000</td> </tr> <tr> <td><b>ATTY. RAUL G. CORALDE</b> <i>(Independent Trustee)</i></td> <td>138,000</td> </tr> <tr> <td><b>JERRY B. LAO</b> <i>(Independent Trustee)</i></td> <td>138,000</td> </tr> </tbody> </table>	<b>MEMBERS</b>	<b>AMOUNT</b>	<b>RICHARD O. OCHAVA</b> <i>(Chairman)</i>	PHP138,000	<b>ZENON MARTHY M. REGINO</b> <i>(Vice-Chairman)</i>	138,000	<b>RICARDO L. CONCEPCION</b> <i>(President)</i>	138,000	<b>JESS A. CANDELARIA</b> <i>(Vice – President)</i>	138,000	<b>BULAKLAK A. VIVAS</b> <i>(Corporate Secretary)</i>	138,000	<b>RICARDO S. GONZALEZ</b> <i>(Treasurer)</i>	138,000	<b>WINSTON A. DELOS REYES</b> <i>(Auditor)</i>	138,000	<b>ATTY. RAUL G. CORALDE</b> <i>(Independent Trustee)</i>	138,000	<b>JERRY B. LAO</b> <i>(Independent Trustee)</i>	138,000
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**E. Responsibilities of the Board**

***E.1. Board Competencies and Diversity***

E.1.1(B).	Does the company have at least one female independent director/commissioner?	<p><b>ICGN 2.4.1 Skills and experience</b></p> <p>The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.</p>	<b>N</b>	
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**E.2 Nominating Committee**

E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	<b>ICGN 2.4.4 Composition of board committees</b> The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	<b>N</b>	
E.2.2.(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		<b>Y</b>	<b>MEMABA 2017 Annual Report Compliance on Corporate Governance Board of Committees Page 28</b>  <a href="http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=28">http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=28</a>  <i>“The Nomination Committee is responsible in planning of all activities relative to the election and establishes policies, rules and regulations governing the manner of the election of the regular and independent members of the board of trustees from the nominees submitted. The Association observes the following rules: Rules on Election of Trustees, Rules in Validation of Proxies, Rules on Appreciation of Ballots and Rules on Registration in Annual General Membership Meeting.”</i>

**E.3 Board Appointments and Re-Election**

E.3.1(B)	Does the company use professional search firms or other external sources of candidates (such as director database set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	<b>WORLDBANK PRINCIPLE 6</b> (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	<b>N</b>	<i>The Association's Trustees are all members of the Association.</i>
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**E.4 Board Structure & Composition**

E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		<b>N</b>	
E.5.1(B)	Does the company have a separate level Risk Committee?	International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee?(Volume 31, pp.11, March 2013)  Benefits of a Board Level Risk Committee: 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. establish a platform for continuous assessment of risks in light of the changing internal and external environments;	<b>N</b>	<i>The Association has its own Risk Management Policy that being followed by the Trustees, Officers and employees as guidelines in facing and managing the risks that the Association may encounter. The same is constantly being reviewed, assessed and updated.</i>

		5. improve communication among the board, management, and other stakeholders about risk management; and 6. demonstrate to internal and external stakeholders the company's commitment to risk management		
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