

C. ROLE OF STAKEHOLDERS

C.1. The rights of stakeholders that are established by law or by mutual agreement are to be respected.

Does the company disclose a policy that:

C.1.1.	Stipulates the existence and scope of the company's efforts to address customer's welfare?	<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Benefits Pages 4 and 8</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=4</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=8</p> <p><i>"The Association reviews, institutes, and ensures that the benefits of the members shall always be attuned with the present and future needs and in accordance with the policies, rules and regulations of the MERALCO and Insurance Commission.</i></p> <p><i>As part of the continuously improving the members' benefit, the Association requested and earned the approval of the Insurance Commission on the following:</i></p> <ul style="list-style-type: none"> • <i>Effective September 25, 2017, a withdrawn member, regardless of number of years of membership in the Association, shall be entitled to a 50% refund of his or her total membership contributions.</i> • <i>Providing of additional non-financial, but practical, benefits in the form of Php400.00 Sodexo Gift Certificates on September 2017.</i>
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			<ul style="list-style-type: none"> • <i>Beginning December 2017, the Association gave MEMABA GO Bags to all members in furtherance of the Association's thrust of providing mutual aid and benefit and, more importantly, as a gesture of appreciation for members' loyalty and dedication to the Association and the core values it has espoused ever since its inception.</i> • <i>Granting of Calamity Loan to the members who were greatly affected by Typhoon Nina last January 2017. "</i>
C.1.2.	Explains supplier / contractor selection practice?		<p>Y</p> <p>MEMABA 2017 Annual Report Compliance on Corporate Governance Suppliers Page 35</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=35</p> <p><i>"The Association has a policy that covers the accreditation, selection, bidding and approval process for selection of the suppliers. The Association usually considers the following factors in selecting suppliers:</i></p> <ol style="list-style-type: none"> 1. <i>Cost</i> 2. <i>Quality of the service</i> 3. <i>Efficiency</i> 4. <i>The relationship of the Association with the supplier.</i> <p><i>The Association prohibits transactions involving solicitation, directly or indirectly acceptance of any gifts, commission and any other form of payment from members, suppliers and other parties in exchange for any unfavorable treatment."</i></p>

<p>C.1.3.</p>	<p>Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?</p>	<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>	<p>Y</p>	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Workplace Environment of Employees Pages 34</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=34</p> <p><i>“The Association ensures that the workplace is environmental friendly by providing the following:</i></p> <ol style="list-style-type: none"> <i>1. Fair employee policy - which applies to all employees regardless of their position or designation in the Association. If policy changes, the Association ensures everyone knows about it.</i> <i>2. Break time – encouraging the employees to take a 15-minute break in the morning and in the afternoon, and 1-hour in lunchtime which will assist to relieve muscle fatigue, eyestrain and to restore the level of concentration.</i> <i>3. Clean and comfortable office</i> <p><i>To conserve resources, the Association requires the employees to turn-off all electrical equipments when not in use and maximize or recycle all materials that can still be used.”</i></p>
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C.1.4.	Elaborates the company's efforts to interact with the communities in which they operate?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Committees Membership Committee Pages 30</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=30</p> <p><i>“In order to fully understand the needs of our members, the Membership Committee conducted a quarterly meeting with the different groups of members of the Association categorized as MERALCO Active Employees, Retirees and Subsidiaries and Affiliates Active Employees. The Association solicits ideas on what to improve on the Association’s current benefits and how the Association may improve the services to the members. The output on these meeting will be considered by the Board of Trustees on their next Corporate Planning</i></p> <p><i>As part of the marketing strategy of the Association and to encourage more members, the Association also participated in different MERALCO activities such as Fun Run, Employees Day and others.”</i></p>
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C.1.5.	Describe the company's anti-corruption programmes and procedures?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Anti-Corruption Programs and Procedures Pages 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“The Association commits to proactively combat corruption. To protect the integrity and reputation of the Association, the Trustees, Officers and employees of the Association are obliged to observe the following:</i></p> <ol style="list-style-type: none"> <i>1. Not to offer, promise or give bribes to obtain, retain or “facilitate” business or any transactions of the Association.</i> <i>2. Shall not request, agree to accept or take bribes from any member of the Association, suppliers, business partners as well as with the government.”</i>
C.1.6.	Describe how creditors' rights are safeguarded?		N/A	<p><i>The Association has no financial obligation to other company or person.</i></p>
C.1.7.	<p><i>Does the company disclose the activities that it has undertaken to implement</i></p> <p>Customer health and safety?</p>	<p>OECD Principle IV (A) & Global Reporting Initiative</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Committees Membership Committee Pages 30</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=30</p>

				<p><i>“In order to fully understand the needs of our members, the Membership Committee conducted a quarterly meeting with the different groups of members of the Association categorized as MERALCO Active Employees, Retirees and Subsidiaries and Affiliates Active Employees. The Association solicits ideas on what to improve on the Association’s current benefits and how the Association may improve the services to the members. The output on these meeting will be considered by the Board of Trustees on their next Corporate Planning</i></p> <p><i>As part of the marketing strategy of the Association and to encourage more members, the Association also participated in different MERALCO activities such as Fun Run, Employees Day and others.”</i></p>
C.1.8.	Supplier / contractor selection and criteria?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Suppliers Page 35</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=35</p> <p><i>“The Association has a policy that covers the accreditation, selection, bidding and approval process for selection of the suppliers. The Association usually considers the following factors in selecting suppliers:</i></p> <ol style="list-style-type: none"> 1. Cost 2. Quality of the service 3. Efficiency 4. The relationship of the Association with the supplier. <p><i>The Association prohibits transactions involving solicitation, directly or indirectly acceptance of any gifts, commission</i></p>

				and any other form of payment from members, suppliers and other parties in exchange for any unfavorable treatment.”
C.1.9.	Environmentally-friendly value chain?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Workplace Environment of Employees Page 34</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=34</p> <p>“The Association ensures that the workplace is environmental friendly by providing the following:</p> <ol style="list-style-type: none"> 1. Fair employee policy - which applies to all employees regardless of their position or designation in the Association. If policy changes, the Association ensures everyone knows about it. 2. Break time – encouraging the employees to take a 15-minute break in the morning and in the afternoon, and 1-hour in lunchtime which will assist to relieve muscle fatigue, eyestrain and to restore the level of concentration. 3. Clean and comfortable office <p>To conserve resources, the Association requires the employees to turn-off all electrical equipments when not in use and maximize or recycle all materials that can still be used.”</p>

C.1.10.	Interaction with the communities?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Committees Membership Committee Pages 30</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=30</p> <p><i>“In order to fully understand the needs of our members, the Membership Committee conducted a quarterly meeting with the different groups of members of the Association categorized as MERALCO Active Employees, Retirees and Subsidiaries and Affiliates Active Employees. The Association solicits ideas on what to improve on the Association’s current benefits and how the Association may improve the services to the members. The output on these meeting will be considered by the Board of Trustees on their next Corporate Planning</i></p> <p><i>As part of the marketing strategy of the Association and to encourage more members, the Association also participated in different MERALCO activities such as Fun Run, Employees Day and others.”</i></p>
C.1.11.	Anti-corruption programmes and procedure?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Anti-Corruption Programs and Procedures Pages 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p>

				<p><i>“The Association commits to proactively combat corruption. To protect the integrity and reputation of the Association, the Trustees, Officers and employees of the Association are obliged to observe the following:</i></p> <ol style="list-style-type: none"> 1. <i>Not to offer, promise or give bribes to obtain, retain or “facilitate” business or any transactions of the Association.</i> 2. <i>Shall not request, agree to accept or take bribes from any member of the Association, suppliers, business partners as well as with the government.”</i>
C.1.12.	Creditors’ rights?		N/A	<i>The Association has no financial obligation to other company or person.</i>
C.1.13.	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	<p>OECD Principle V (A): Disclosure should include, but not be limited to, material information on: (7) Issues regarding employees and other stakeholders.</p> <p>Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Whistle blowing Pages 35</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=35</p> <p><i>“The Association firmly adheres to the principles of openness, honesty, transparency, integrity and accountability and we promote employees who have serious concerns about any aspect of the Association safely and confidentially report those concerns provided that the disclosure of information is for the public interest, true, not a maliciously act or false allegations and do not inures any personal benefits.</i></p> <p><i>Employees have rights to voice out their concerns regarding the following:</i></p> <ol style="list-style-type: none"> a. <i>Unauthorized used of Association’s funds</i> b. <i>Sexual, physical or other abuse</i>

				<p>c. <i>Fraud and corruption</i> d. <i>Breach of law</i> e. <i>Non-performance of work obligations</i> f. <i>Non-compliance of health, safety and environmental laws and regulations.</i> g. <i>Non-compliance of any Association's rules and policies</i> h. <i>Other unethical conduct</i> i. <i>Actions which are unprofessional, inappropriate or conflict with a general understanding of what is right and wrong.</i></p> <p><i>The person to talk to with regards to raising questions depends to the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. Initially, employee should normally raise concerns to their immediate supervisors or their superior. But if management is involved, employee must approach the General Manager or any members of the Board of Trustees or Key officers."</i></p>
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C.2. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for the violation of their rights

C.2.1.	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>OECD Principle IV (B): <i>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</i></p> <p><i>The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.</i></p>	Y	<p>MEMABA Website Contact Us http://memaba.com.ph/category/contact-us/</p> <p>MEMABA 2017 Annual Report Compliance on Corporate Governance Page 37</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=37</p>
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				<p><i>The Association accepts loans and benefits application:</i> Mondays to Fridays 7:00 am to 5:00 pm</p> <p><i>Tel.: 1622-6993 and 6994</i></p> <p><i>Our Accounting Department is available:</i> Mondays to Fridays 8:00 am to 5:00 pm <i>Tel.: 1622-3930 and 3936</i></p> <p><i>Address: Employees Services Center, Meralco Compound, Ortigas Avenue, Pasig City Fax: 1622-8895 Email address: memaba.staff@meralco.com.ph</i></p>
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C.3. Performance-enhancing mechanism for employee participation should be permitted to develop.

C.3.1.	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Health, Safety and Welfare of Employees Page 34</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=34</p> <p><i>“It is the Association’s responsibility to ensure and keeping working conditions safe and healthy should be everyone’s business and make sure that their welfare are being improved. However, employees are expected to help and cooperate. The Association has the following programs to promote the health, safety and welfare of its employees:</i></p>
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		<p>consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>		<ol style="list-style-type: none"> 1. Ensures that the Association's concerns are being heard and responded. 2. Keep the employees informed of the hazards likely to occur in the workplace during health and safety training, precautionary labels, emergency alarms, and similar stuff. 3. Providing sick leaves to the employees 4. Providing Annual Physical Examination leave requiring employees to undergo annual medical exams and other screening procedures to ensure maximum health which can be detrimental if there are illnesses left unchecked and can likely harm the majority. 5. Safeguarding of medical records in case an incident affecting an employee happens in the work area where medical history of the patient will immediately become a need 6. Avoid discrimination of employees.”
C.3.2.	Does the company publish relevant information relating to health, safety and welfare of its employees?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Health, Safety and Welfare of Employees Page 34</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=34</p> <p>“It is the Association’s responsibility to ensure and keeping working conditions safe and healthy should be everyone’s business and make sure that their welfare are being improved. However, employees are expected to help and cooperate. The Association has the following programs to promote the health, safety and welfare of its employees:</p>

				<ol style="list-style-type: none"> 1. Ensures that the Association's concerns are being heard and responded. 2. Keep the employees informed of the hazards likely to occur in the workplace during health and safety training, precautionary labels, emergency alarms, and similar stuff. 3. Providing sick leaves to the employees 4. Providing Annual Physical Examination leave requiring employees to undergo annual medical exams and other screening procedures to ensure maximum health which can be detrimental if there are illnesses left unchecked and can likely harm the majority. 5. Safeguarding of medical records in case an incident affecting an employee happens in the work area where medical history of the patient will immediately become a need 6. Avoid discrimination of employees.”
C.3.3.	Does the company have training and development programmes for its employee?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Page 33</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=33</p> <p>“The Association also provides trainings, seminars and other programs required by the regulatory bodies to help employees improve their knowledge and skills in order to perform their work more effectively and efficiently. Among these are seminars on Anti-Money Laundering Law and on Corporate Governance seminar and other seminars required</p>

				by the Insurance Commission for a mutual Benefits Association, Inc.”
C.3.4.	Does the company publish relevant information on training and development programmes for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Page 33</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=33</p> <p>“The Association also provides trainings, seminars and other programs required by the regulatory bodies to help employees improve their knowledge and skills in order to perform their work more effectively and efficiently. Among these are seminars on Anti-Money Laundering Law and on Corporate Governance seminar and other seminars required by the Insurance Commission for a mutual Benefits Association, Inc.”</p>
C.3.5.	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Rewards to Account Performance Page 34</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=34</p> <p>“The Association provides the following to employees:</p> <ol style="list-style-type: none"> 1. Years of Service Award to recognize an employee’s continued contribution to the Association over a number of years. 2. Annual Bonuses in addition to their base pay 3. Performance Bonuses which is based on performance of both the employee and the Association.”

C.4. Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

<p>C.4.1.</p>	<p>Does the company have procedure for complaints by employees concerning illegal (including corruption) and unethical behaviour?</p>	<p>OECD Principle IV (E): Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.</p>	<p>Y</p>	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Whistle blowing Pages 35</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=35</p> <p><i>“The Association firmly adheres to the principles of openness, honesty, transparency, integrity and accountability and we promote employees who have serious concerns about any aspect of the Association safely and confidentially report those concerns provided that the disclosure of information is for the public interest, true, not a maliciously act or false allegations and do not inures any personal benefits.</i></p> <p><i>Employees have rights to voice out their concerns regarding the following:</i></p> <ul style="list-style-type: none"> <i>a. Unauthorized used of Association’s funds</i> <i>b. Sexual, physical or other abuse</i> <i>c. Fraud and corruption</i> <i>d. Breach of law</i> <i>e. Non-performance of work obligations</i> <i>f. Non-compliance of health, safety and environmental laws and regulations.</i> <i>g. Non-compliance of any Association’s rules and policies</i> <i>h. Other unethical conduct</i> <i>i. Actions which are unprofessional, inappropriate or conflict with a general understanding of what is right and wrong.</i> <p><i>The person to talk to with regards to raising questions depends to the seriousness and sensitivity of the issues</i></p>
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				<p><i>involved and who is suspected of the malpractice. Initially, employee should normally raise concerns to their immediate supervisors or their superior. But if management is involved, employee must approach the General Manager or any members of the Board of Trustees or Key officers.”</i></p>
C.4.2.	<p>Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?</p>		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Employees Whistle blowing Pages 35</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=35</p> <p><i>“The Association firmly adheres to the principles of openness, honesty, transparency, integrity and accountability and we promote employees who have serious concerns about any aspect of the Association safely and confidentially report those concerns provided that the disclosure of information is for the public interest, true, not a maliciously act or false allegations and do not inures any personal benefits.</i></p> <p><i>Employees have rights to voice out their concerns regarding the following:</i></p> <ul style="list-style-type: none"> <i>a. Unauthorized used of Association’s funds</i> <i>b. Sexual, physical or other abuse</i> <i>c. Fraud and corruption</i> <i>d. Breach of law</i> <i>e. Non-performance of work obligations</i> <i>f. Non-compliance of health, safety and environmental laws and regulations.</i> <i>g. Non-compliance of any Association’s rules and policies</i> <i>h. Other unethical conduct</i> <i>i. Actions which are unprofessional, inappropriate or conflict with a general understanding of what is right</i>

				<p><i>and wrong.</i></p> <p><i>The person to talk to with regards to raising questions depends to the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. Initially, employee should normally raise concerns to their immediate supervisors or their superior. But if management is involved, employee must approach the General Manager or any members of the Board of Trustees or Key officers.”</i></p>
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