

D. DISCLOSURE AND TRANSPARENCY

D.1. Transparent ownership structure

D.1.1.	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on:</p> <p>(3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</p> <p>ICGN 7.6 Disclosure of ownership ... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</p>	N/A	<p><i>All members have equal rights and share regardless of their length of membership in Association.</i></p> <p>http://memaba.com.ph/category/membership/</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=5</p>
D.1.2.	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		N/A	<p><i>All members have equal rights and share regardless of their length of membership in Association.</i></p> <p>http://memaba.com.ph/category/membership/</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=5</p>
D.1.3.	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		N/A	<p><i>All members have equal rights and share regardless of their length of membership in Association.</i></p> <p>http://memaba.com.ph/category/membership/</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=5</p>

D.1.4.	Does the company disclose the direct and of senior management indirect (deemed) shareholdings of senior management?		N/A	<p>All members have equal rights and share regardless of their length of membership in Association.</p> <p>http://memaba.com.ph/category/membership/</p> <p>http://memaba.com.ph/wp-content/uploads/2015/06/Manual_Corp_Gov_Memaba.pdf#page=5</p>
D.1.5.	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)		N/A	<p>The Association has no subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)</p>

D.2. Quality of Annual Report

D.2.1.	<p>Does the company's annual report disclose the following items:</p> <p>Key risks</p>	<p>"OECD Principle V (A):</p> <p>(1) The financial and operating results of the company;</p> <p>(2) Company objectives, including ethics, environment, and other public policy commitments;</p> <p>(3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</p> <p>(4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</p> <p>(6) Foreseeable risk factors, including risk management system;</p> <p>(7) Issues regarding employees and other stakeholders;</p> <p>(8) Governance structure and policies, in particular,</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Risk Management Page 32</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=32</p> <p><i>"As part of the effective management processes, the Association's Risk Management Policy provides guidelines to the Board of Trustees, officers and staff that can be applied to help manage risks before it affects the Association. The Board of Trustees should regularly review and assess the risks that the Association faced in all areas of work and plan for the management of risks. The risks that the Association may face are categorized as follows: liquidity risks, credit risk and compliance risk.</i></p>
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		<p>the content of any corporate governance code or policy and the process by which it is implemented.</p> <p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p> <p>ICGN 5.0 Remuneration ICGN 5.4 Transparency</p> <p>UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.</p>		<p><i>Liquidity Risk</i> <i>Liquidity Risk is the risk that the Association will be unable to provide a timely payment on any of its financial obligations to its members or counterparties. These may include the payment for the donation for the benefit of the members and loans being granted to members. The Association ensures to meet its financial obligations when these become due, to have available funds for the new benefits to be offered to members, and to cover unplanned expenditures.</i></p> <p><i>Credit Risk</i> <i>Credit Risk is the risk that the Association's counterparty may fail to perform or meet the terms of its contractual obligations to the Association which may result to Association's financial loss. The Association is exposed to this risk for various financial instruments, like granting loans and receivables to members and placing deposits and investments in bonds. The Association continuously monitors defaults of members and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Association's policy is to deal only with creditworthy counterparties.</i></p> <p><i>Compliance Risk</i> <i>Compliance Risk arise from violations or non-conformity to laws, rules and regulations, circulars, and prescribed practices of Insurance Commission and other regulatory bodies that may expose to fines and penalties by the regulatory bodies. The Association makes sure its compliance to its Manual of Corporate Governance and other compliance policies."</i></p>
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D.2.2.	Corporate Objectives		Y	<p>MEMABA 2017 Annual Report Vision and Mission Page 2</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=2</p> <p><u>VISION STATEMENT</u> To be an independent mutual benefit association aimed at providing the best benefits and assistance to its members and beneficiaries/dependents.</p> <p><u>MISSION STATEMENT</u></p> <p><i>Members</i></p> <ul style="list-style-type: none"> • To provide the best value of assistance to our members and their dependents; • To continually enhance financial strength of the members and their dependents; • To promptly respond to the changing needs and concerns of the members through a continuous enhancement of benefits, assistance and services. <p><i>Operations/Association</i></p> <ul style="list-style-type: none"> • To regularly review policies and guidelines to address current and future needs of the Association; • To sustain financial strength and stability through professional management of operations and creation of opportunities for organizational growth; • To treat all members and other stakeholders fairly and equitably. <p><i>Directors and Officers</i></p> <ul style="list-style-type: none"> • To provide overall strategic direction for the Association, and develop new programs or enhance existing programs; • To observe the highest standards of integrity and professionalism; • To provide opportunities for the professional growth and advancement of the staff, and ensure the best interests of
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				<p><i>the members;</i></p> <ul style="list-style-type: none"> • <i>To sustain an environment that values its employees, encourages personnel development, team spirit and mutual respect.</i> <p><i>Regulatory/Government Entities, Suppliers, Insurance Companies, Financial Institutions</i></p> <ul style="list-style-type: none"> • <i>To observe the highest standards of integrity and professionalism;</i> • <i>To strengthen its relationship and partnership with regulatory bodies through fair, truthful and honest business dealings;</i> <p><i>To be responsible citizens in the communities we serve. “</i></p>
D.2.3.	Financial performance indicators		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Financial Performance Indicators Page 33</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=33</p> <p><i>“The primary goal of the Association is to have an increase in its revenue and to lessen its expenses, particularly the administrative expenses.</i></p> <p><i>As a mutual benefit association, who secures a license from Insurance Commission, the Association complies with the financial requirements of Insurance Commission. Among these are total administrative expenses should not be more than 20% of the total gross revenue and maintaining a high ratio in Risk Based Capital(RBC) Framework requirement for the Philippines Mutual Benefit Association.</i></p> <p><i>For the year 2017, the administrative expenses of the Association are only 18.84% of the total revenue and the Association’s RBC ratio of 1,864%”.</i></p>

D.2.4.	Non - Financial performance indicators	<p>"OECD Principle V (A): (1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy commitments; (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Non - Financial Performance Indicators Page 33</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=33</p> <p><i>"The Association fully commits itself in giving assistance to its members. We make sure that all cash assistance and loan applications will be processed within the day upon submission of complete documents and complied all the requirements. The Association consistently improved its products and services that it may offer to its members by increasing the maximum loanable amount of different loans, decrease interests rates and proposes increase in different donations.</i></p>
D.2.5.	Dividend policy	<p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p> <p>ICGN 5.0 Remuneration ICGN 5.4 Transparency</p> <p>UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Policy on Dividends Page 33</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=33</p> <p><i>"The Association as a non-stock and non-profit corporation which was incorporated to provide a system of death, sickness, or other mutual benefits and to render mutual aid and assistance to its members and their families who sustained serious physical injuries or suffered personal damages due to natural calamities, is a tax-exempt business entity and thus is prohibited by law to declare dividends to its members. All of its income derived from its operations inure to the direct benefit of its members by way of an increase in its Legal Policy Reserve and Equity. However, as its internal policy and pursuant to the provisions of the Insurance Code, it is mandated to refund to its members the 50% of such member's total contribution, in cases, where such members</i></p>

		<p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.</p>		<p><i>voluntarily or involuntarily disassociates himself/herself from the Association.”</i></p>
D.2.6.	Details of whistle-blowing policy	<p>"OECD Principle V (A): (1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy commitments; (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p> <p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p> <p>ICGN 5.0 Remuneration</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> <ul style="list-style-type: none"> a. <i>Unauthorized used of Association’s funds</i> b. <i>Sexual, physical or other abuse</i> 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><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</i></p>

		ICGN 5.4 Transparency		<i>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>
D.2.7.	Biological details (at least age, qualifications, date of first appointment, relevant experience, and any other directorship of listed companies) of directors/ commissioners	UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.	Y	MEMABA 2017 Annual Report Board of Trustees Pages 11-19 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=11
D.2.8.	Training and/or continuing education programme attended by each director/ commissioner		Y	MEMABA 2017 Annual Report Board of Trustees Pages 11-19 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=11
D.2.9.	Number of board of directors/ commissioners meeting held during the year		Y	MEMABA 2017 Annual Report Compliance on Corporate Governance Board Performance Page 26 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=26 <i>“As indicated in the Association’s By-Laws, the Board of Trustees holds its regular monthly meetings every last Thursday of the month at the office of the Association to deliberate the major issues that affect the Association. They also have additional meetings as the need arises. The Board of Trustees held eleven (11) regular meetings and four (4) special meetings for the year 2017.”</i>

D.2.10	Attendance details of each director/commissioner in respect of meetings held		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Performance Page 26</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=26</p> <p><i>“The records of the attendance of the trustees for the Annual General Membership meeting and regular and special Board meetings held are provided below:</i></p> <table border="1" data-bbox="1723 591 2591 964"> <thead> <tr> <th>MEMBERS</th> <th>ATTENDED THE ANNUAL MEETING</th> <th>NO. OF MEETINGS HELD</th> <th>NO. OF MEETINGS ATTENDED</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>RICHARD O. OCHAVA <i>(Chairman)</i></td> <td>YES</td> <td>15</td> <td>14</td> <td>93%</td> </tr> <tr> <td>ZENON MARTHY M. REGINO <i>(Vice-Chairman)</i></td> <td>YES</td> <td>15</td> <td>12</td> <td>80%</td> </tr> <tr> <td>RICARDO L. CONCEPCION <i>(President)</i></td> <td>YES</td> <td>15</td> <td>14</td> <td>93%</td> </tr> <tr> <td>JESS A. CANDELARIA <i>(Vice-President)</i></td> <td>YES</td> <td>15</td> <td>15</td> <td>100%</td> </tr> <tr> <td>BULAKLAK A. VIVAS <i>(Corporate Secretary)</i></td> <td>YES</td> <td>15</td> <td>13</td> <td>87%</td> </tr> <tr> <td>RICARDO S. GONZALEZ <i>(Treasurer)</i></td> <td>YES</td> <td>15</td> <td>12</td> <td>80%</td> </tr> <tr> <td>WINSTON A. DELOS REYES <i>(Auditor)</i></td> <td>YES</td> <td>15</td> <td>12</td> <td>80%</td> </tr> <tr> <td>ATTY. RAUL G. CORALDE <i>(Independent Trustee)</i></td> <td>NO</td> <td>15</td> <td>12</td> <td>80%</td> </tr> <tr> <td>JERRY B. LAO <i>(Independent Trustee)</i></td> <td>YES</td> <td>15</td> <td>14</td> <td>93%</td> </tr> </tbody> </table>	MEMBERS	ATTENDED THE ANNUAL MEETING	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	RICHARD O. OCHAVA <i>(Chairman)</i>	YES	15	14	93%	ZENON MARTHY M. REGINO <i>(Vice-Chairman)</i>	YES	15	12	80%	RICARDO L. CONCEPCION <i>(President)</i>	YES	15	14	93%	JESS A. CANDELARIA <i>(Vice-President)</i>	YES	15	15	100%	BULAKLAK A. VIVAS <i>(Corporate Secretary)</i>	YES	15	13	87%	RICARDO S. GONZALEZ <i>(Treasurer)</i>	YES	15	12	80%	WINSTON A. DELOS REYES <i>(Auditor)</i>	YES	15	12	80%	ATTY. RAUL G. CORALDE <i>(Independent Trustee)</i>	NO	15	12	80%	JERRY B. LAO <i>(Independent Trustee)</i>	YES	15	14	93%
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D.2.11	Details of remuneration of each member of the board of directors/commissioners		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Board Remuneration Page 27</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=27</p> <p>“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.</p> <p>The following are the remuneration received by each Trustee for the year 2017:</p> <table border="1" data-bbox="1717 688 2610 1065"> <thead> <tr> <th>MEMBERS</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>RICHARD O. OCHAVA (Chairman)</td> <td>PHP138,000</td> </tr> <tr> <td>ZENON MARTHY M. REGINO (Vice-Chairman)</td> <td>138,000</td> </tr> <tr> <td>RICARDO L. CONCEPCION (President)</td> <td>138,000</td> </tr> <tr> <td>JESS A. CANDELARIA (Vice – President)</td> <td>138,000</td> </tr> <tr> <td>BULAKLAK A. VIVAS (Corporate Secretary)</td> <td>138,000</td> </tr> <tr> <td>RICARDO S. GONZALEZ (Treasurer)</td> <td>138,000</td> </tr> <tr> <td>WINSTON A. DELOS REYES (Auditor)</td> <td>138,000</td> </tr> <tr> <td>ATTY. RAUL G. CORALDE (Independent Trustee)</td> <td>138,000</td> </tr> <tr> <td>JERRY B. LAO (Independent Trustee)</td> <td>138,000</td> </tr> </tbody> </table>	MEMBERS	AMOUNT	RICHARD O. OCHAVA (Chairman)	PHP138,000	ZENON MARTHY M. REGINO (Vice-Chairman)	138,000	RICARDO L. CONCEPCION (President)	138,000	JESS A. CANDELARIA (Vice – President)	138,000	BULAKLAK A. VIVAS (Corporate Secretary)	138,000	RICARDO S. GONZALEZ (Treasurer)	138,000	WINSTON A. DELOS REYES (Auditor)	138,000	ATTY. RAUL G. CORALDE (Independent Trustee)	138,000	JERRY B. LAO (Independent Trustee)	138,000
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Corporate Governance Confirmation Statement

D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issues?	<p>OECD PRINCIPLE V (A) (8)</p> <p>UK CODE (JUNE 2010): Listing Rules</p> <p>9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Page 24</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=24</p>
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		<p>in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out:</p> <p>(i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance.</p> <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>		<p><i>“Meralco Employees Mutual Aid and Benefits Association, Inc. (MEMABA, Inc.) is governed by the key principles of good corporate governance as embodied in the Association’s By-Laws, Manual on Corporate Governance and Code of Ethics.</i></p> <p><i>The Association firmly adheres to the principles of fairness, accountability, transparency and integrity.</i></p> <p><i>The Association fully complies with its Manual on Corporate Governance.”</i></p>
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D.3. Disclosure of related party transactions (RPT)

<p>D.3.1.</p>	<p>Does the company disclose its policy covering the review and approval of material/significant RPTs?</p>	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions</p> <p>ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.</p>	<p>Y</p>	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Related Party Transaction</p> <p>Pages 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“The members of the Board of Trustees and its corporate officers upon assumption of their offices are required to disclose their interests in transactions, contracts, loans in the Association, and other material transactions involving conflict of interest and to observe the highest degree of transparency, selflessness, and integrity in the performance on their duties, free from any conflict with personal interest.</i></p> <p><i>The following criteria will be considered in determining the extent of the related party transaction:</i></p> <ol style="list-style-type: none"> <i>1. The identities of the parties involved in the transaction</i> <i>2. If the nature or term of the transaction fair for the Association</i> <i>3. The impact of the transaction to the Board of Trustees, Officers and the staff’ independence</i> <p><i>For the year 2017, the Association’s related party transactions pertain to loans obtained by some members of the Board of Trustees and officers from the Association amounting to Php1,330,087. The outstanding balance of the loans amounted to Php735,313 as of December 31, 2017. These loans have complete requirements and within the limit of their borrowing capacity as required by the Association and MERALCO.</i></p> <p><i>Aside from the loans by some members of the Board of Trustees, there are no other related party transactions for the year 2017. The Association also does not have wholly-owned subsidiary companies. The related party transactions disclosed above are being conducted in such a way to ensure that they are fair and at arm’s length.”</i></p>
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D.3.2.	Does the company disclose the name of the related party and relationship for each material / significant RPT?	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions</p> <p>ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Related Party Transaction Pages 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“For the year 2017, the Association’s related party transactions pertain to loans obtained by some members of the Board of Trustees and officers from the Association amounting to Php1,330,087. The outstanding balance of the loans amounted to Php735,313 as of December 31, 2017. These loans have complete requirements and within the limit of their borrowing capacity as required by the Association and MERALCO.</i></p> <p><i>Aside from the loans by some members of the Board of Trustees, there are no other related party transactions for the year 2017. The Association also does not have wholly-owned subsidiary companies. The related party transactions disclosed above are being conducted in such a way to ensure that they are fair and at arm’s length.”</i></p>
D.3.3.	Does the company disclose the nature and the value for each material / significant RPT?		Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance Related Party Transaction Pages 36</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=36</p> <p><i>“For the year 2017, the Association’s related party transactions pertain to loans obtained by some members of the Board of Trustees and officers from the Association amounting to Php1,330,087. The outstanding balance of the loans amounted to Php735,313 as of December 31, 2017. These loans have complete requirements and within the limit of their borrowing capacity as required by the</i></p>

				<p><i>Association and MERALCO.</i></p> <p><i>Aside from the loans by some members of the Board of Trustees, there are no other related party transactions for the year 2017. The Association also does not have wholly-owned subsidiary companies. The related party transactions disclosed above are being conducted in such a way to ensure that they are fair and at arm's length."</i></p>
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D.4.1.	Does the company disclose trading in the company's shares by insiders?	<p>OECD Principle V (A): (3) Major share ownership and voting rights</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</p> <p>ICGN 5.5 Share ownership Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</p>	N/A	
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D.5. External auditor and Auditor Report

D.5.1.	Are audit fees disclosed?	<p>OECD Principle V (C): An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p>	Y	<p>MEMABA 2017 Annual Report Compliance on Corporate Governance External Auditor Page 31</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=31</p>
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		OECD Principle V (D): External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.		<i>"The fees incurred by the Association for DMD CPA & Co.'s services amounted to Php116,000.00, exclusive of VAT, and Out-of-pocket expenses not exceeding Php10,000.00"</i>
D.5.2.	Where the same audit firm is engaged for both audit and non – audit services, Are the non-audit fees disclosed?	ICGN 6.5 Ethical standards (Audit) The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.	Y	MEMABA 2017 Annual Report Compliance on Corporate Governance External Auditor Page 31 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=31 <i>"The DMD CPA and Co. has not been engaged by the Association to perform non-audit services."</i>
D.5.3.	Where the same audit firm is engaged for both audit and non-audit services, Does the non – audit fees exceed the audit fees?		Y	MEMABA 2017 Annual Report Compliance on Corporate Governance External Auditor Page 31 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-2018-Annual-ReportFINALa.pdf#page=31 <i>"The DMD CPA and Co. has not been engaged by the Association to perform non-audit services."</i>

D.6. Medium of communications

<i>Does the company use the following modes of communication?</i>				
D.6.1.	Quarterly reporting	OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. ICGN 7.1 Transparent and open communication	Y	MEMABA Website News www.memaba.com.ph http://memaba.com.ph/category/news/

		Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.		<i>"The Association regularly published to the website any updates about the Association"</i>
D.6.2.	Company Website	ICGN 7.2 Timely disclosure Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.	Y	MEMABA Website www.memaba.com.ph
D.6.3.	Analyst's briefing		N/A	
D.6.4.	Media briefings / press conferences		MEMABA Website News http://memaba.com.ph/category/news/ http://memaba.com.ph/wp-content/uploads/2018/06/Memaba-Media.pdf <i>The Association regularly published to the MERALCO workplace about any updates about the Association.</i>	

D.7. Timely filing/release of annual / financial reports

D.7.1.	Are the audited annual financial report/statement released within 120 days from the financial year end?	OECD Principle V (C) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements 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.	Y	MEMABA 2017 Audited Financial Statements Notes to Financial Statements Page 12 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-Financial-Statement-2017.pdf#page=12 <i>"The accompanying financial statements of the Association as were approved and authorized for issue by the Board of Trustees on April 13, 2018."</i>
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D.7.2.	Is the annual report released within 120 days from the financial year end?		Y	MEMABA Website MEMABA 2017 Annual Report http://memaba.com.ph/category/corporate-governance/annual-report/
D.7.3.	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		Y	MEMABA 2017 Audited Financial Statements Statement of Management's Responsibility for Financial Statements Page 1 http://memaba.com.ph/wp-content/uploads/2018/06/MEMABA-Financial-Statement-2017.pdf#page=1

D.8. Company Website				
<i>Does the company have a website disclosing up-to-date information on the following :</i>				
D.8.2.	Financial statements/reports (current and prior years)		Y	MEMABA Website MEMABA 2017 and 2016 Audited Financial Statements http://memaba.com.ph/category/corporate-governance/audited-fs/
D.8.3.	Materials provided in briefings to analysts and media		N/A	
D.8.4.	Shareholding structure		Y	MEMABA Website Membership http://memaba.com.ph/category/membership/

D.8.5.	Group corporate structure	<p>OECD Principle V (A)</p> <p>OECD Principle V (E)</p> <p>ICGN 7.1 Transparent and open communication</p> <p>ICGN 7.2 Timely disclosure</p>	Y	<p>MEMABA Website Membership</p> <p>http://memaba.com.ph/category/membership/</p>
D.8.6.	Downloadable annual report		Y	<p>MEMABA Website MEMABA 2017 Annual Report</p> <p>http://memaba.com.ph/category/corporate-governance/annual-report/</p>
D.8.7.	Notice of AGM and/or EGM		Y	<p>MEMABA Website Notice of the 2017 Annual General Membership Meeting</p> <p>http://memaba.com.ph/category/news/page/4/</p>
D.8.8.	Minutes of AGM and/or EGM		Y	<p>MEMABA Website Minutes of the 2017 Annual General Membership Meeting</p> <p>http://memaba.com.ph/wp-content/uploads/2018/06/Minutes-of-the-MEMABA-Annual-General-Membership-Meeting-Dec.-12-2017.pdf</p>
D.8.9.	Company's constitution (company's by-laws, memorandum and articles of association)		Y	<p>MEMABA Website www.memaba.com.ph</p> <p>MEMABA Amended By-Laws http://memaba.com.ph/wp-content/uploads/2016/06/2015-Memaba-ByLaws.pdf</p> <p>MEMABA Articles of Incorporation http://memaba.com.ph/wp-content/uploads/2015/03/Articles-of-Incorporation.pdf</p>

				MEMABA Code of Ethics http://memaba.com.ph/wp-content/uploads/2018/05/Memaba-Code-of-Ethics.pdf
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D.9. Investors Relations

D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer/office responsible for investor relations?	ICGN 7.1 Transparent and open communication	N/A	
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