

THE
MERALCO EMPLOYEES MUTUAL AID AND BENEFITS ASSOCIATION, INC.

CODE OF ETHICS

MERALCO EMPLOYEES MUTUAL AID AND BENEFITS ASSOCIATION, INC.

Its trustees, officers and employees reaffirm our commitment to high standards of ethics, good governance, competence, integrity and lawful conduct in pursuing our Association's mission and vision to serve the best interest of our members, stakeholders and country.

To meet the challenges in our new work environment and the growing needs of our members we serve, we shall observe the following rules to our level best, within and outside association premises:

1. WE SERVE OUR MEMBERS FAIRLY AND EQUITABLY

- As a mutual aid and benefits association, the Association committed to provide best benefits and assistance to its members fairly and equitably.
- Work shall be accomplished within schedule, with high quality, and above minimum standards, through the efficient use of time and resources.
- All laws, rules and regulations governing the business operations of the Association shall be complied with.
- We shall promptly respond to changing needs and concerns of members by continuous enhancement and development of benefits, assistance and services provided for the betterment of their welfare

2. WE CHOOSE, DEVELOP AND REWARD THE BEST PEOPLE TO SERVE

- The Board of Trustees shall be composed of members of probity, integrity and professionalism, competence and experience, who possess the prescribed qualifications to manage the affairs of the Association, and are elected in accordance with law.
- Employees and officers are selected, engaged and compensated based on qualification, merit and performance.
- All personnel and staffs are properly informed, trained and empowered to do their job well.

3. WE MAINTAIN A SAFE WORKPLACE AND ENVIRONMENT.

- The workplace and Association premises, facilities and equipment must be clean, safe, non-polluting and in proper working condition at all times.
- All health, safety, and environmental laws and regulation shall be complied with.
- The Association shall provide its employees with adequate health, dental, and medical care and benefits.
- The possession, use, distribution, or sale of illegal drugs or substances is strictly prohibited.
- Any person under the influence of alcohol, or with detectable level of illegal drugs or substances, or acting violently is not allowed at the workplace or to perform Association business.
- Smoking is allowed only in designated areas of the Association premises.
- Any form of sexual harassment is strictly prohibited.

4. WE ESTABLISH FREE AND HONEST COMMUNICATION.

- Corporate goals, objectives, strategies, standards, policies, rules and procedures are clearly defined and communicated to all persons concerned.
- Employees are encouraged to actively participate in discussions and to raise any concerns or issues involving their work.
- The Association shall establish open communication links with its members, suppliers, and other agencies government.

5. WE RESPECT INDIVIDUAL AND COLLECTIVE RIGHTS

- All employees or applicants for employment shall be treated equally, fairly, and without discrimination on account of gender, religion, age, nationality, family status, disability or any other illegal consideration.
- The Association shall foster harmonious relations among its employees based on mutual understanding, trust and respect.

- The privacy, personal property, and confidential information or record of employees shall be respected.
- The right of employees and workers to self – organization shall not be violated.

6. WE PROTECT THE INTEREST OF MEMBERS

- The rights of member shall be respected.
- They shall be provided with complete, accurate, material, and timely information regarding the management of the Association, its financial position, and the results of its operations.
- Fiscal discipline shall be observed in the use and disbursement of Association's funds, assets and resources.
- The Association shall maintain complete and accurate books of accounts and records in accordance with the applicable provisions of law, Generally Accepted Accounting Principles (GAAP), and International Accounting Standards (IAS).

7. WE DEAL WITH SUPPLIERS BASED ON MUTUAL TRUST AND BENEFIT

- Contracts for the supply of goods and services shall be awarded to suppliers through competitive bidding or negotiation, whichever is more appropriate, based on value for money, technical qualification, financial capability, and track record of ensuring the best interest of the Association.
- The process of evaluation of tenders and selection of suppliers shall be uniform, objective, fair and transparent.
- Effective monitoring and control systems shall be established to detect and prevent fraud, misrepresentation, bribery, price fixing, bid rigging, or other malpractice and to ensure proper fulfillment of contractual obligations.
- The Association undertakes to pay suppliers and contractors in accordance with the agreed terms.

8. WE RESTRICT THE SOLICITATION OR ACCEPTANCE OF GIFTS

- The solicitation or acceptance of gifts in any form from a third person or entity, directly or indirectly, by any trustee, officer or employee of the Association in consideration of an

act, omission, or transaction of the Association favorable to such third person is restricted.

- A “gift” means a right or thing of value, like cash equivalent, loan fee, reward, commission, allowance, employment and travel.
- The restriction shall not apply to: (a) a gift of nominal value voluntarily given by a third person or entity to a trustee, officer or employee of the Association, without any suggestion or solicitation, as a souvenir or out of courtesy; or (b) a gift given to the Company in support of its charitable projects for the benefit of the poor or the general public.

9. WE RESPECT CONFIDENTIAL AND PROPRIETARY RIGHTS

- Confidential, classified, restricted, or proprietary information of the Association shall not be accessed or disclosed to any person or entity without proper authority. This prohibition shall survive separation from the Association due to retirement, resignation, termination, expiration of term of office, or expiration of contract, or any other cause.
- The Association will not knowingly appropriate, infringe or make an unauthorized use of a valid trademark, patent, trade secret or proprietary technology belonging to other person.
- Employees are not allowed in the performance of their duties to make use, install, or copy any computer software, program, design, or material protected by a registered trademark, patent, or license without proper written authority.

10. WE PROHIBIT CONFLICT OF INTEREST, INSIDER TRADING, CORRUPTION, AND OTHER ILLEGAL ACTS.

- Any conflict interest, unfair competition, disloyalty, breach of trust, insider trading, dishonesty, or any other act inimical to the interest of the Association is strictly prohibited.
- Deceit, corruption, or any illegal act arising from or in connection with the performance of service to or in behalf of the Association shall be a ground for disciplinary and legal action.

11. WE INVESTIGATE AND DISCIPLINE VIOLATORS

- Any violation of this Code of Ethics shall be investigated and penalized, after due notice and hearing, under the pertinent provisions of the Manual of Corporate Governance and Company Code on Employee Discipline..

- Any administrative investigation or penalty imposed under the provisions of the Manual Corporate of Corporate Governance, of Company Code on Employee Discipline, shall be independent of and without prejudice to any other legal action that may be instated against the party concerned under existing law and regulations.

This Code shall take effect on January 1, 2012.

(Original Signed)

ERNESTO M. CABRAL

Chairman of the Board of Trustees