



Meralco Employees Mutual Aid and Benefits Association, Inc. (MEMABA, Inc.)  
Employee Services Center, Meralco Center, Ortigas Ave. Pasig City, 1605  
Phone Nos.: 1622-6993 to 94, 6069, 3936 and 3930, 0908-888-5821  
memaba.staff@meralco.com.ph | www.memaba.com.ph

## **RULES ON NOMINATIONS OF CANDIDATES FOR ELECTION TO THE BOARD OF TRUSTEES**

Pursuant to the provisions of the By-Laws of the Association, the Corporation Code of the Philippines, the Insurance Code, and the Securities Regulations Code, the following rules are hereby adopted:

1. In accordance with Article III (Board of Trustees) Section 3 (Composition) of the Bylaws, "The Board of Trustees shall be composed of nine (9) members, including two (2) Independent Trustees."
2. All regular members of the Association shall be given the right to nominate their candidates to the Board of Trustees. All nominations for regular and independent Trustees must be received by the Office of the Corporate Secretary on or before the date fixed by the Board of Trustees.
3. A group of twenty (20) members as of Record Date is entitled to nominate a candidate for election to the Board of Trustees. All nominations shall be in writing and must be sent either by registered mail, personal delivery, facsimile, or e-mail. The Office of the Corporate Secretary shall then refer the Nomination Forms to the Nomination Committee for its evaluation on the qualifications and disqualifications of the candidate as prescribed in the Bylaws and the Association's Manual of Good Corporate Governance.
4. The Nomination Committee shall prescreen and provide a Final List of all qualified candidates or nominees in accordance with the requirements of the Association's Bylaws, the Association's Manual of Good Corporate Governance, the Corporation Code of the Philippines, the Insurance Code, and the Securities Regulations Code, and other pertinent regulations such as disclosures of his related interests, among others.
5. The Final List of Candidates shall be submitted by the Nomination Committee to the Board of Trustees with a copy furnished to the Office of the Corporate Secretary.
6. Only candidates or nominees whose names appear in the Final List of Candidates to the Securities and Exchange Commission (SEC), as the case may be, may be voted for in the Annual General Membership Meeting where Trustees are to be elected. No further nomination shall be allowed on the floor during the said meeting.

## **QUALIFICATIONS AND DISQUALIFICATIONS OF TRUSTEES**

Pursuant to the provisions of the Bylaws of the Association and its Manual of Good Corporate Governance, the following are the Qualifications and Disqualifications of the members of the Board of Trustees:

### **Qualifications of a Trustee**

- He must be a member of the Association.
- He shall be at least a college graduate having sufficient knowledge or experience in managing the business;
- He shall be at least twenty-one (21) years old;
- He shall have proven to possess integrity and probity; and
- He shall be assiduous.

### **Disqualifications of a Trustee**

- Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;
- Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas or the Insurance Commission;
- Any person judicially declared to be insolvent;
- Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and
- Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

Any of the following shall be a ground for the temporary disqualification of a Trustee:

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Trustees during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;
- Dismissal/termination from Trusteeship in another corporation or association for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- Being under preventive suspension by the Association or by his employer;
- If the independent Trustee becomes an director of his employer-corporation he shall be automatically disqualified from being an independent Trustee;
- Conviction that has not yet become final referred to in the grounds for the disqualification of Trustee.

Additional Requirements for Independent Trustee:

- Should a person other than a director of his employer-corporation, its parent or subsidiaries, or any other individual having relationship with his employer-corporation which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Trustee. This means that apart from his Trustee's fees and membership, he should be independent of Management and free from any business or other relationship which could materially interfere with the exercise of his independent judgment.
- Is not a director or officer or substantial stockholder of his employer-corporation or of its related companies;
- Is not a relative of any Trustee or officer of the Association or any of its related companies. For this purpose, relatives include spouses, parent, child, brother, sister, and the spouses of such child, brother, or sister or relatives within the sixth degree of consanguinity or affinity.
- Is not acting as nominee of a substantial number of members of the Association;

- Is not retained as professional adviser of the Association within the last five years whether personally or through his firm;
- Has not engaged himself and does not engage in any transaction with any of the Association's related contractors or suppliers whether by himself or with other persons through a firm of which he is a partner, director, officer, or substantial shareholder.
- Has not served for a maximum cumulative term of nine years.

APPROVED by the Board of Trustees, this 4th day of August, 2011 in Pasig City, Philippines.

***(Signed)* ARIEL G. LUCAS**  
*Chairman of the Board of Trustees*

***(Signed)* DOMINGO L. ROBLES**  
*Chairman, Nomination Committee*

***(Signed)* ELMER T. MANANSALA**  
*Corporate Secretary*