



MEMABA, Inc.
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**ANNUAL CORPORATE GOVERNANCE REPORT OF
MERALCO EMPLOYEES MUTUAL AID AND BENEFITS ASSOCIATION, INC.
(MEMABA, INC.)**

1. For the fiscal year ended December 31, 2022
2. Certificate Authority Number 2022-09-R
3. METRO MANILA, PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization
4. G/F Employees Services Center, Meralco Center, Ortigas Ave. Pasig City 1605
Address of principal office Postal Code
5. 02-1622-6993 or 02-1622-6994
Company's telephone number, including area code
6. www.memaba.com.ph
Company's official website
7. Not Applicable
Former name, former address, and former fiscal year, if changes since last report

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p><i>The Board of Trustees has an appropriate mix of competence and expertise. The members of the Board of Trustees are with collective working knowledge and expertise on business, operations, finance, regulatory compliance and legal requirement needed by the Association. They make sure to remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the Association.</i></p> <p><i>The profile of the trustees that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's website and annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Pages 18 – 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p> <p><i>Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the</i></p>	

		<p><i>evaluation of its performance are stated in the Association’s Manual of Corporate Governance.</i></p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.1. Nomination Committee 2.2.4.1.1. Qualifications of Trustees Page 4 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=5</p>																					
Recommendation 1.2																							
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</p> <p><i>The Association’s Board consist of nine (9) trustees, two (2) are independent trustees and seven (7) are regular trustees who are all non-executive trustees.</i></p> <table><tr><th>NAME</th><th>TYPE OF DIRECTORSHIP</th></tr><tr><td>Domingo L. Robles</td><td>Non-executive Trustee</td></tr><tr><td>Marvin G. Gonsalves</td><td>Non-executive Trustee</td></tr><tr><td>Wilfredo A. Baetiong</td><td>Non-executive Trustee</td></tr><tr><td>Efren V. Olpindo</td><td>Non-executive Trustee</td></tr><tr><td>Michael Angelo A. Nazar</td><td>Non-executive Trustee</td></tr><tr><td>Winston A. Delos Reyes</td><td>Non-executive Trustee</td></tr><tr><td>Wilfredo P. Benardo</td><td>Non-executive Trustee</td></tr><tr><td>Imelda A. Reyes</td><td>Independent Trustee</td></tr><tr><td>Rensy B. Robles</td><td>Independent Trustee</td></tr></table> <p>MEMABA 2022 Annual Report Board of Trustees Page 16 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=16</p>	NAME	TYPE OF DIRECTORSHIP	Domingo L. Robles	Non-executive Trustee	Marvin G. Gonsalves	Non-executive Trustee	Wilfredo A. Baetiong	Non-executive Trustee	Efren V. Olpindo	Non-executive Trustee	Michael Angelo A. Nazar	Non-executive Trustee	Winston A. Delos Reyes	Non-executive Trustee	Wilfredo P. Benardo	Non-executive Trustee	Imelda A. Reyes	Independent Trustee	Rensy B. Robles	Independent Trustee	
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Imelda A. Reyes	Independent Trustee																						
Rensy B. Robles	Independent Trustee																						

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>MEMABA Manual of Corporate Governance 7. Training process Page 18 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=19</p>	
2. Company has an orientation program for first time directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</p>	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p><i>Before the Board of Trustees' term start, the Association assures that an orientation is conducted to give them overview on how the Association operates as a mutual benefits association. The orientation also includes reporting on the rules and policies, membership, benefits, and financial aspects of the Association. The Trustees were also given idea on their corporate powers, roles and responsibilities as a Trustee and the functions of each officer.</i></p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.3. Orientation Program for New Trustees Page 3 - 4 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=4</p> <p><i>The profile of the trustees that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's annual report.</i></p>	

		MEMABA 2022 Annual Report Board of Trustees Page 16 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=16	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board. <i>The Association values the benefits that diversity can bring to its Board of Trustees. The Association believes promotion of diversity is best served through careful consideration of all the knowledge, experience, skills and background of each individual candidate for trustee in light of the needs of the Board without focusing on a single diversity characteristic and, accordingly, has not adopted specific Board diversity goals.</i> <i>The 2022 Board of Trustees consist of 8 males and 1 female.</i> MEMABA 2022 Annual Report Board Diversity Page 34 - 35 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=34	

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT	<p>The Association's Corporate Secretary is Mr. Michael Angelo A. Nazar. His profile, containing his information, including his name, qualifications and seminars attended are disclosed on the Association's and annual report.</p> <p>MEMABA 2022 Annual Report Board of Trustees Page 22 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=22</p> <p>The duties and functions of Corporate Secretary are disclosed in the Association's Amended By-Laws and Manual on Corporate Governance.</p> <p>MEMABA Amended By-Laws Article V – Officers Section 9 - Secretary Page 11 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=11</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.5. The Corporate Secretary Page 12 - 13 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=13</p>	The Association's Corporate Secretary is also a member of the Board of Trustees. But the Association will consider this.

4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>The profile of the Corporate Secretary containing his information, including his name, qualifications are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 22 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=22</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	<p><i>The Association's Compliance Officer is Mr. Gregorio P. Figueroa, Jr. He is also the General Manager of the Association and not a member of the Board of Trustee. His profile, containing his information, including his name, qualifications and seminars attended are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Key Officers Page 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=27</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.1. Compliance Officer Page 0 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=1</p>	
3. Compliance Officer is not a member of the board.	COMPLIANT		

<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>The profile of the Compliance Officer containing his information, including his name, qualifications and seminars attended are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Key Officers Page 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=27</p>	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><i>The Board of Trustees reviews and makes decision on improvements on benefits of the members, annual budgets, investment opportunities, policies, and all other matters that will be needing the decisions of the Board of Trustees on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Association, the members and other stakeholders.</i></p> <p><i>The roles and responsibilities of the Trustees are also disclosed in the Association's Manual of Corporate Governance.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 – 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.1. Board of Trustees Page 1 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=2</p>	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT	<p>Indicate frequency of review of business objectives and strategy</p> <p><i>The Board of Trustees regularly review the Association's mission and vision to make sure that business strategies to be created and implemented are connected and focused with it.</i></p> <p><i>It shall be the Board's responsibility to foster the long-term success of the Association and secure its sustained competitiveness, which it shall exercise in the best interest of the Association, its members and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.</i></p> <p><i>The review of the mission and vision is part of the Association's annual corporate planning.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 32 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=32</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.1. Board of Trustees Page 1 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=2</p>	
Recommendation 2.3			

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><i>The Association's Chairman is Mr. Domingo L. Robles. His profile containing his information, including his name, qualifications and seminar attended are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p> <p><i>The Board adopts a policy on the retirement for trustees and key officers. The Remuneration Committee assists the Board of Trustees in setting-up and implementation of the performance targets of the Association.</i></p>	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.1. Board of Trustees 2.2.1.1. General Responsibility 2.2.1.2. Specific Duties and Functions Page 2 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=3</p> <p>MEMABA 2022 Annual Report Remuneration Page 38 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=38</p>	
Recommendation 2.5			

1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officer and board members.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board aligns the remuneration of key officers and board members with long-term interest of the company.	COMPLIANT	<i>The Board adopts a policy on the retirement for trustees and key officers. The Remuneration Committee assists the Board of Trustees in setting-up and implementation of the performance targets of the Association.</i>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.1. Board of Trustees 2.2.1.1. General Responsibility 2.2.1.2. Specific Duties and Functions Page 2 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=3</p> <p>MEMABA 2022 Annual Report Remuneration Page 38 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=38</p>	

Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	<i>Each member has equal rights and share to the Association, including the nomination and election of members of the Board of Trustees.</i>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	MEMABA Amended By-Laws Article IV-Committees Section 2 – Nomination Committee Page 8 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.1. Nomination Committee Page 4 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=5 MEMABA Rules on Nominations of Candidates for Election to the Board of Trustees https://memaba.com.ph/wp-content/uploads/2022/05/Rules-on-Nominations-of-Candidates-for-Election.pdf	
Recommendation 2.7			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<i>The Association has no considered material related party transaction for 2022.</i> MEMABA2022 Annual Report <i>Related Party Transaction</i> Page 46 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories <i>The Association has no considered material related party transaction for 2022.</i> MEMABA2022 Annual Report <i>Related Party Transaction</i> Page 46 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46	
2. Board establishes a voting system whereby a majority of non-related party shareholders	COMPLIANT	Provide information on voting system, if any.	

approve specific types of related party transactions during shareholders' meetings.		<p><i>Each member has equal rights and share to the Association.</i></p> <p><i>The Association has no considered material related party transaction for 2022.</i></p> <p>MEMABA 2022 Annual Report Related Party Transaction Page 46 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46</p>	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identity the Management team appointed</p> <p>MEMABA By-Laws Article V – Officers Page 9 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=9</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.	

<p>other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><i>An annual Board and individual Trustee's assessment as well as each of the committee's performance shall be conducted not later than every 28th day of February following the close of the previous' year transactions and results of operations of the Association using the prescribed Association's approved assessment form based on the SEC Revised Code of Corporate Governance and this Manual and the Association's Bylaws. This evaluation covers self-assessment of individual duties and responsibilities, effectiveness of each committee, and efficiency of the Association's structures.</i></p> <p>MEMABA Manual of Corporate Governance 10. Monitoring and Assessment Page 19 - 20 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=20</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	

standards set by the Board and Senior Management.			
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	<p><i>An annual Board and individual Trustee's assessment as well as each of the committee's performance shall be conducted not later than every 28th day of February following the close of the previous' year transactions and results of operations of the Association using the prescribed Association's approved assessment form based on the SEC Revised Code of Corporate Governance and this Manual and the Association's Bylaws. This evaluation covers self-assessment of individual duties and responsibilities, effectiveness of each committee, and efficiency of the Association's structures.</i></p> <p>MEMABA Manual of Corporate Governance 10. Monitoring and Assessment Page 19 - 20 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=20</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate	

<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>COMPLIANT</p>	<p>internal control system is in place and what is included in the internal control system</p> <p><i>The Association have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and members shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.</i></p> <p>MEMABA Amended By-Laws Article IV-Committees Section 3 – Audit Committee Page 8 - 9 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.7. Internal Auditor Page 14 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=15</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>Provide reference or link to the company's Internal Audit Charter</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.7. Internal Auditor Page 14 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=15</p>	
<p>Recommendation 2.11</p>			
<p>1. Board oversees that the company has in place a sound enterprise risk management (ERM)</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a</p>	

framework to effectively identify, monitor, assess and manage key business risks.		sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<p>Provide proof of effectiveness of risk management strategies, if any.</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.</i></p> <p>MEMABA 2022 Annual Report Risk Management Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	<p>Provide link to the company's website where the Board Charter is disclosed.</p> <p>MEMABA Amended By-Laws https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf</p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	<p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.1. Board of Trustees Page 1 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=2</p>	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p><i>To aid in complying with the principles of good corporate governance and improve and oversee all areas of operation of Association, the Board constitutes various committees.</i></p> <p><i>The Association has eight (8) committees, three (3) mandatory committees and five (5) management committees. Each of the committee has four (4) to five (5) members of the Board, one (1) of whom is an Independent Trustee.</i></p> <p>MEMABA Amended By-Laws Article IV-Committees Page 8 to 9 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees Page 4 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=5</p> <p>MEMABA 2022 Annual Report Board Committees Page 37 - 40 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=37</p>	
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Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>This committee is in-charge of checking all financial reports against its compliance with pertinent accounting standards, including regulatory requirements. They also perform oversight financial management functions specifically in the areas of different risks of the Association.</i></p> <p>MEMABA 2022 Annual Report Committees Page 37 - 40 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=37</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 8 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9</p>	
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<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><i>The members of the MEMABA Audit Committee are as follows:</i> Chairman : Mr. Wilfredo P. Bernardo Members: Mr. Efren V. Olpindo Mr. Michael Angelo A. Nazar Mr. Rensy B. Robles</p> <p><i>Their qualifications and type of directorship are disclosed in MEMABA 2022 Annual Report.</i></p> <p>MEMABA 2022 Annual Report Committees Page 28 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=28</p> <p>MEMABA 2022 Annual Report Profile of Board of Trustees and Officers Pages 18-27</p> <p>Chairman : Mr. Wilfredo P. Bernardo https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=24</p> <p>Members: Mr. Efren V. Olpindo https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=21</p> <p>Members: Mr. Michael Angelo A. Nazar https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=22</p> <p>Members: Mr. Rensy B. Robles https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=25</p>	
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<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p><i>The profile of the trustees, that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Committees Page 28 – 29 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=28</p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p><i>The Chairman of the Audit Committee is Mr. Wilfredo P. Bernardo, while the Chairman of the Board of Trustees is Mr. Domingo L. Robles.</i></p> <p>MEMABA 2022 Annual Report Board Committees Page 28 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=28</p> <p>https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
<p>Recommendation 3.3</p>			

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><i>The Committee shall be responsible in the recommendation to the Board regarding committee membership appointments and chairmanships based on the recommendations of the CEO. This Committee also review regularly the Association's disclosure of information and ensure the Association's compliance to the Manual of Corporate Governance.</i></p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.5. Other Committees 2.2.4.5.5. Corporate Governance Committee Page 12 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=13</p> <p>MEMABA 2022 Annual Report Board Committees Page 32 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=32</p>	
<p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	

		MEMABA 2022 Annual Report Board Committees Page 32 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=32	
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	The Association will consider appointing an Independent Trustee as Chairman of the Corporate Governance Committee.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions <i>The Board of Trustees, through its Audit Committee, is responsible for the Enterprise Risk Management Framework and for implementing the strategy, culture, people, processes, technology and structures which constitute the Enterprise Risk Management Framework.</i> MEMABA 2022 Annual Report Risk Management Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	MEMABA 2022 Annual Report Risk Management Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC <i>The Chairman of the BROC is Mr. Wilfredo P. Bernardo while the Chairman of the Board of Trustees is Mr. Domingo L. Robles.</i>	

		<p><i>The profile of the trustees, that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 28 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=28</p> <p>Mr. Wilfredo P. Bernardo Profile Page 24 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=24</p> <p>Mr. Domingo L. Robles Profile Page 18 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.</p> <p><i>The profile of the trustees, that states the academic qualifications, industry knowledge, professional experience, expertise and relevant</i></p>	

		<p>trainings of the trustees, are disclosed on the Association's annual report.</p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
Recommendation 3.5			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><i>The Audit Committee, or committee duly appointed by the Board, has the responsibility to evaluate and identify all related parties on a continuing basis in relation to RPTs; evaluate all material RPTs; ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and formulate policies on conflicts of interest or potential conflicts of interest; report to the Board on a regular basis, if necessary, on the status and aggregate exposures relating to RPTs; secure an independent review or audit of RPTs as necessary; and oversee the implementation of the system for monitoring RPTs, including a periodic review of RPT policies and procedures.</i></p> <p>MEMABA 2022 Annual Report Related Party Transaction Page 46 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p>MEMABA 2022 Annual Report Related Party Transaction Page 46</p>	

		https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. MEMABA Amended By-Laws <i>Article IV – Board Committees</i> <i>Page 8 to 9</i> https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	MEMABA Manual of Corporate Governance <i>2. Compliance System</i> <i>2.2. Plan of Compliance</i> <i>2.2.4. Board Committees</i> <i>Page 4</i> https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=5	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed. MEMABA Website <i>Policies and Implementing Rules</i> <i>MEMABA Amended By-Laws</i> https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf MEMABA Website <i>Policies and Implementing Rules</i> <i>MEMABA Manual on Corporate Governance</i> https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.	

<p>/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>		<p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><i>The records of the attendance of the trustees for the Annual General Membership meeting, regular and special Board meetings and Committee meetings are disclosed in MEMABA 2022 Annual Report.</i></p> <p>MEMABA 2022 Annual Report Board Performance Page 35 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=35</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p><i>Notices of regular and special meetings of the Board of Trustees, including presentations for discussion, pending Minutes of approval and other related papers for Board discussion or approval is being provided to the Board at least five (5) business days in advance of the Board so the Board of Trustees can review and be prepared for the meeting and just ask for the necessary questions or seek clarifications and explanations during the meeting.</i></p> <p>MEMABA 2022 Annual Report Board Performance Page 35 - 36 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=35</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p><i>Notices of regular and special meetings of the Board of Trustees, including presentations for discussion, pending Minutes of approval and other related papers for Board discussion or approval is being provided to the Board at least five (5) business days in advance of the Board so the Board of Trustees can review and be prepared for the</i></p>	

		<p><i>meeting and just ask for the necessary questions or seek clarifications and explanations during the meeting.</i></p> <p>MEMABA 2022 Annual Report Board Performance Page 35 - 36 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=35</p>	
Recommendation 4.2			
<p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	COMPLIANT	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><i>The profile of the trustees, that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p>	
Recommendation 4.3			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	NON-COMPLIANT	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>The Association will comply and start to require written notification to the Board before accepting a directorship in another company.</p>

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p><i>Out of nine (9) Trustees, two (2) are Independent Trustees which represents 22.22% of the Trustees.</i></p>	

		<p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p> <p>Management Page 16 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=16</p>	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><i>The profile of the trustees, that states the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the trustees, are disclosed on the Association's annual report.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18</p> <p><i>The qualification and disqualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance are stated in the Association's Manual of Corporate Governance.</i></p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.1. Nomination Committee 2.2.4.1.1. Qualifications of Trustees Page 4 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=5</p>	

Recommendation 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organization shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this term.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><i>The current Independent Trustees, Ms. Imelda A. Reyes and Mr. Rensy B. Robles, are on their first year serving as Independent Trustees.</i></p> <p><i>It is also stated in the Association's By-Laws that an Independent Trustee shall hold office for a maximum cumulative term of nine (9) years. Thereafter, he/she will be perpetually barred from any reelection in the Association as an independent trustee, but may continue to serve as a regular trustee.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 16 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=16</p> <p>Imelda A. Reyes and Rensy B. Robles Profile Page 25 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=16</p> <p>MEMABA By-Laws Article III – Board of Trustees Section 3 – Election and Term of Office Page 5 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=5</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p>	

		<p><i>An Independent Trustee shall hold office for a maximum cumulative term of nine (9) years. Thereafter, he/she will be perpetually barred from any reelection in the Association as an independent trustee, but may continue to serve as a regular trustee.</i></p> <p>MEMABA By-Laws Article III – Board of Trustees Section 3 – Election and Term of Office Page 5 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=5</p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholder's meeting.	COMPLIANT	<p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>The Association has no independent trustees who serve for a maximum cumulative term of nine years. So no submission of formal written justification is needed.</i></p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p><i>The Chairman of the Board is Mr. Domingo L. Robles. The Association has not appointed a Chief Executive Officer.</i></p> <p>MEMABA 2022 Annual Report Board of Trustees Page 18 - 27</p>	

		https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=18	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p><i>The Chairman of the Board of Trustees shall preside at all meetings of the Board of Trustees and members, and shall have and exercise such powers as may be conferred upon him by the Board. He shall be the Chief Executive Officer of the Association.</i></p> <p>MEMABA By-Laws Article V – Officers Section 5 – Chairman of the Board Page 10 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=10</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the role of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	NON-COMPLIANT	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	The Board will start designating a lead director among the independent trustees.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberation for the same.	COMPLIANT	<p>Provide proof of abstention, if this was the case.</p> <p><i>The Association requires that Trustees with material interest in a transaction should abstain from taking part in the deliberation for the same. However, there is no such case for the year 2022.</i></p>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external	COMPLIANT	Provide proof and details of said meeting, if any.	

auditor and heads of the internal audit, compliance and risk functions, without any executive director present to ensure that proper checks and balances are in place within the corporation.		Provide information on the frequency and attendees of meetings. <i>All of the Trustees are considered non-executive trustees. The details of the frequency and attendees of the meeting are disclosed in MEMABA 2022 Annual Report.</i>	
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT	MEMABA 2022 Annual Report <i>Board Performance</i> Page 35 - 36 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=35	The Board has not yet appointed the lead independent trustees but the Board will start designating a lead director among the independent trustees.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	NON-COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	
2. The performance of the Chairman is assessed annually by the Board.	NON-COMPLIANT	MEMABA Manual of Corporate Governance 2. Monitoring and Assessment	<i>The Association is currently finalizing its performance assessment and assessment</i>

		Page 20 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=20	will be immediately implemented once done.
3. The performance of the individual members of the Board are assessed annually by the Board.	NON-COMPLIANT		
4. The performance of each committee is assessed annually by the Board.	NON-COMPLIANT		The Association is currently finalizing its performance assessment and assessment will be immediately implemented once done.
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator. The Trustees' term are only two years.	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders <i>An annual Board and individual Trustee's assessment as well as each of the committee's performance shall be conducted not later than every 28th day of February following the close of the previous' year transactions and results of operations of the Association using the</i>	
2. The system allows for a feedback mechanism from the shareholders.	NON-COMPLIANT		The Association is currently finalizing its performance

		<p><i>prescribed Association's approved assessment form based on the SEC Revised Code of Corporate Governance and this Manual and the Association's Bylaws. This evaluation covers self-assessment of individual duties and responsibilities, effectiveness of each committee, and efficiency of the Association's structures.</i></p> <p>MEMABA Manual of Corporate Governance 2. Monitoring and Assessment Page 20 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=20</p>	<p><i>assessment and this will be considered to be included.</i></p>
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p><i>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</i></p>	

		<p><i>meet the challenges in our new work environment and the growing needs of the members, the Association shall observe the rules indicated in MEMABA Code of Ethics to its level best, within and outside association premises.</i></p> <p>MEMABA Code of Ethics https://memaba.com.ph/wp-content/uploads/2022/03/Code-of-Ethics.pdf</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p><i>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.</i></p> <p>MEMABA 2022 Annual Report Compliance on Corporate Governance Code of Ethics Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41</p>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p> <p>MEMABA Code of Ethics https://memaba.com.ph/wp-content/uploads/2022/03/Code-of-Ethics.pdf</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	

<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>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 the members, the Association shall observe the rules indicated in MEMABA Code of Ethics to its level best, within and outside association premises.</i></p> <p><i>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.</i></p> <p>MEMABA 2022 Annual Report Compliance on Corporate Governance Code of Ethics Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41</p>	
<p>Disclosure and Transparency</p>			
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			
<p>Recommendation 8.1</p>			
<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p> <p><i>The Association yearly posts its audited financial statements.</i></p>	

financial condition, results and business operations.		MEMABA 2022 Audited Financial Statements https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Audited-Financial-Statements.pdf	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><i>The Association is attaching the profile of the candidates whenever there is an election of the members of the Board of Trustees. However, there is no election of members of the Board of Trustees for the year 2022.</i></p> <p>MEMABA Notice of 2022 Annual General Membership Meeting https://memaba.com.ph/wp-content/uploads/2023/05/Notice-of-Annual-General-Membership-Meeting-2022.pdf</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><i>The Association is attaching to the Notice of the Annual General Membership Meeting the profile of the candidates whenever there is an election of the members of the Board of Trustees.</i></p>	

		MEMABA Notice of 2022 Annual General Membership Meeting https://memaba.com.ph/wp-content/uploads/2023/05/Notice-of-Annual-General-Membership-Meeting-2022.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedures for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p><i>SECTION 8. ALLOWANCE AND PER DIEM - The Trustees and Officers of the Association shall each receive a monthly allowance to be fixed by the Board but in no case to exceed P2,500.00. The Trustees and Officers attending either a regular or special Board meeting shall be entitled to a per diem of P500.00.</i></p> <p><i>SECTION 9. MEMABA INCENTIVE PLAN (MIP). The Board shall pass a resolution granting a performance-based incentive remuneration to the Trustees and Officers that shall be called the MEMABA incentive plan. The MIP shall be based on performance targets as set by the Board of Trustees within the first quarter of the ensuing year.</i></p> <p><i>SECTION 10. LIMITATIONS ON TRUSTEES TOTAL REMUNERATION. The total annual remuneration of the Trustees mentioned under Section 8 and Section 9 shall be limited by the following:</i></p> <ul style="list-style-type: none"> <i>a. The Trustees' total remuneration shall be part of the administrative expenses capped by law at twenty percent (20%); and</i> <i>b. The total remuneration received by each Trustee or Officer, including monthly allowances, per diem for Special Board Meetings and MIP, shall not exceed Php 150,000.00 per annum; and</i> <i>c. any increases or amendments hereof shall take effect only after the end of the term of the members of the Board when such increases were voted upon.</i> <p><i>However, the Association is currently amending its By-Laws where the Board of Trustees do not receive any compensation or remuneration except for reasonable amount of per diem.</i></p> <p>The Board of Trustees did not receive any compensation or remuneration for the year 2022.</p>	

		<p>MEMABA Amended By-Laws Article III – Board of Trustees Section 10 – Limitations on Trustees Total Remuneration Page 7 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=7</p> <p>MEMABA 2022 Annual Report Board Remuneration Page 36 – 37 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=36</p>	
<p>2. Company provides a clear disclosure of its policies and procedures for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p> <p><i>SECTION 8. ALLOWANCE AND PER DIEM - The Trustees and Officers of the Association shall each receive a monthly allowance to be fixed by the Board but in no case to exceed P2,500.00. The Trustees and Officers attending either a regular or special Board meeting shall be entitled to a per diem of P500.00.</i></p> <p><i>SECTION 9. MEMABA INCENTIVE PLAN (MIP). The Board shall pass a resolution granting a performance-based incentive remuneration to the Trustees and Officers that shall be called the MEMABA incentive plan. The MIP shall be based on performance targets as set by the Board of Trustees within the first quarter of the ensuing year.</i></p> <p><i>SECTION 10. LIMITATIONS ON TRUSTEES TOTAL REMUNERATION. The total annual remuneration of the Trustees mentioned under Section 8 and Section 9 shall be limited by the following:</i></p> <ul style="list-style-type: none"> <i>a. The Trustees' total remuneration shall be part of the administrative expenses capped by law at twenty percent (20%); and</i> <i>b. The total remuneration received by each Trustee or Officer, including monthly allowances, per diem for Special Board Meetings and MIP, shall not exceed Php150,000.00 per annum; and</i> 	

		<p><i>c. any increases or amendments hereof shall take effect only after the end of the term of the members of the Board when such increases were voted upon.</i></p> <p><i>However, the Association is currently amending its By-Laws where the Board of Trustees do not receive any compensation or remuneration except for reasonable amount of per diem.</i></p> <p><i>The Board of Trustees did not receive any compensation or remuneration for the year 2022.</i></p> <p>MEMABA Amended By-Laws Article III – Board of Trustees Section 10 – Limitations on Trustees Total Remuneration Page 7 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=7</p> <p>MEMABA 2022 Annual Report Board Remuneration Page 36 – 37 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=36</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><i>The Board of Trustees did not receive any compensation or remuneration for the year 2022.</i></p> <p>MEMABA 2022 Annual Report Board Remuneration Page 36 – 37</p>	

		https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=36	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><i>The Association requires that Trustees with material interest in a transaction should abstain from taking part in the deliberation for the same. However, there is no such case for the year 2022.</i></p> <p>MEMABA 2022 Annual Report Related Party Transaction Page 46 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=46</p>	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of 	

		<p>shareholders who approved) based on the company's policy; and</p> <p>9. Other terms and conditions</p> <p><i>The Association has no material or significant RPTs for the year 2022.</i></p>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p>MEMABA Manual of Corporate Governance https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf</p>	
2. Company's MCG is posted on its company website.	COMPLIANT		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p><i>The Audit Committee shall provide oversight of the Associations' internal and external auditors. It shall be responsible for the selection</i></p>	

		<p><i>and evaluation of internal and/or external auditors. It shall monitor and evaluate the adequacy and effectiveness of the internal control system of the Association.</i></p> <p>MEMABA Amended By-Laws Article IV – Committees Section 3 – Audit Committee Page 8 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	COMPLIANT	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><i>An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Association, an external auditor shall be selected and appointed by the members upon recommendation of the Audit Committee.</i></p> <p><i>The reappointment of the external auditor is recommended by the Audit Committee and approved by the majority of the members of the Association during 2022 Annual General Membership Meeting (AGMM) disclosed in Minutes of the 2022 AGMM.</i></p>	

		MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. <i>The reason/s for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the Association's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.</i> However, there is no change of external auditor for year 2022. MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	

<ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 		<p><i>The Audit Committee shall provide oversight of the Associations' internal and external auditors. It shall be responsible for the selection and evaluation of internal and/or external auditors. It shall monitor and evaluate the adequacy and effectiveness of the internal control system of the Association</i></p> <p>MEMABA Amended By-Laws Article IV – Committees Section 3 – Audit Committee Page 8 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=8</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 8 - 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 8 - 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9</p>	
<p>Recommendation 9.3</p>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in</p>	<p>COMPLIANT</p>	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p>	

the Annual Report to deal with the potential conflict of interest.		<i>The Association does not have non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</i>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p>MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.4. Board Committees 2.2.4.3. Audit Committee Page 8 - 9 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=9</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>MEMABA 2022 Annual Report Non-Financial Indicators Page 43 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=43</p>	

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	The Association will consider this.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any. MEMABA Website www.memaba.com.ph	

Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><i>The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Association's organizational and procedural controls.</i></p>	

		<p><i>The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.</i></p> <p>MEMABA Manual of Corporate Governance 2. Compliance System Page 1 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <p>MEMABA 2022 Annual Report Risk Management</p>	

		Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm. <i>The Association has an in-house internal audit.</i> MEMABA Manual of Corporate Governance 2. Compliance System 2.2. Plan of Compliance 2.2.7. Internal Auditor Page 15 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=15	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities. <i>The Association's Auditor for the year 2022 is Mr. Wilfredo P. Bernardo.</i> <i>The Auditor shall prescribe the accounting procedure for carrying the books and accounts to be kept by the Treasurer and shall certify, after audit, to their correctness. He shall examine the accounts of the Treasurer monthly. He shall submit semi-annual reports of the financial condition of the Association to the Board of Trustees and such other reports as may be required of him by the Board. He shall immediately report to the Board any irregularity, fault, or omission committed by any officer or employee, in the</i>	

		<p><i>accounting and in the management of the funds and properties of the Association. The Auditor shall also perform such powers and duties as the Board may from time to time provide. In case of the absence or temporary incapacity of the Auditor to act, the Assistant Auditor shall act as Auditor.</i></p> <p>MEMABA Amended By-Laws Article III – Officers Section 11 – Auditor Page 12 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=12</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	<p>MEMABA Amended By-Laws Article III – Officers Section 11 – Auditor Page 12 https://memaba.com.ph/wp-content/uploads/2022/03/2018-MEMABA-INC.-By-Laws.pdf#page=12</p>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p><i>The Association has not outsourced its internal auditor.</i></p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>Provide information on company's risk management function.</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.</i></p>	

		MEMABA 2022 Annual Report <i>Risk Management</i> Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background. <i>The Board of Trustees, through its Audit Committee, is responsible for the Enterprise Risk Management Framework and for implementing the strategy, culture, people, processes, technology and structures which constitute the Enterprise Risk Management Framework.</i> MEMABA 2022 Annual Report <i>Risk Management</i> Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	MEMABA 2022 Annual Report <i>Risk Management</i> Page 41 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=41	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. MEMABA Manual of Corporate Governance 3. Members' Benefits 3.1. Members' Rights and Protection Page 15 https://memaba.com.ph/wp-content/uploads/2022/03/Manual-on-Corporate-Governance.pdf#page=16	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website MEMABA Website Membership https://memaba.com.ph/membership/	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p><i>The Notice of the 2022 Annual General Membership Meeting was released on October 7, 2022, which is sixty-eight (68) days before the meeting.</i></p> <p>Notice of the 2022 Annual General Membership Meeting https://memaba.com.ph/wp-content/uploads/2023/05/Notice-of-Annual-General-Membership-Meeting-2022.pdf</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p>MEMABA Minutes of 2022 Annual General Membership Meeting https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-Minutes-of-2022-Annual-General-Membership-Meeting.pdf</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the	COMPLIANT	Provide link to minutes of meeting in the company website.	

company website within five business days from the end of the meeting.		<p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>MEMABA Minutes of 2022 Annual General Membership Meeting https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-Minutes-of-2022-Annual-General-Membership-Meeting.pdf</p>	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON-COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The Association will consider this.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON-COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance	The Association will consider this.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p><i>The following are the stakeholders of the Association:</i></p> <ul style="list-style-type: none"> • Members • Trustees and Officers • Board Committees • Employees • Suppliers <p>MEMABA Website</p>	

		<p><i>Key Players on Corporate Governance</i> https://memaba.com.ph/key-players-on-corporate-governance/</p> <p>MEMABA 2022 Annual Report <i>Employees</i> Page 43 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=43</p> <p>MEMABA 2022 Annual Report <i>Suppliers</i> Page 45 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=45</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><i>The following are the stakeholders of the Association:</i></p> <ul style="list-style-type: none"> • <i>Members</i> • <i>Trustees and Officers</i> • <i>Board Committees</i> • <i>Employees</i> • <i>Suppliers</i> <p>MEMABA Website <i>Key Players on Corporate Governance</i> https://memaba.com.ph/key-players-on-corporate-governance/</p> <p>MEMABA 2022 Annual Report</p>	

		<p><i>Employees</i> Page 43 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=43</p> <p>MEMABA 2022 Annual Report <i>Suppliers</i> Page 45 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=45</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	COMPLIANT	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p><i>The following contact details are disclosed in the Association's 2022 Annual Report:</i></p> <p><i>Tel.: 1622-6993, 6994 and 6069</i></p> <p><i>Our Accounting Department is available:</i> <i>Mondays to Fridays</i> <i>8:00 am to 5:00 pm</i></p>	

		<p><i>Tel.: 1622-3930 and 3936</i></p> <p><i>Address:</i> <i>Employees Services Center, Meralco Compound, Ortigas Avenue,</i> <i>Pasig City</i> <i>Fax: 1622-8895</i></p> <p><i>Email address:</i> <i>memaba.staff@meralco.com.ph</i></p> <p>MEMABA Website https://memaba.com.ph/contact-us/</p> <p>MEMABA 2022 Annual Report Contact Us Page 47 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=47</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 use 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</i> 	
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		<p><i>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> <p>MEMABA 2022 Annual Report Whistle blowing Page 44 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=44</p>	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. MEMABA 2022 Annual Report Employees Page 43 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=43	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	

corruption policy and program in its Code of Conduct.		MEMABA 2022 Annual Report <i>Anti-Corruption Programs and Procedures</i> Page 45 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=45	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization <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> 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> MEMABA 2022 Annual Report <i>Anti-Corruption Programs and Procedures</i> Page 45 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=45	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	MEMABA 2022 Annual Report <i>Whistle blowing</i> Page 44 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=44	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the	COMPLIANT	MEMABA 2022 Annual Report <i>Whistle blowing</i> Page 44	

Board or a unit created to handle whistleblowing concerns.		https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=44	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</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> <p><i>The Association has no whistleblowing incident.</i></p> <p>MEMABA 2022 Annual Report Whistle blowing Page 44 https://memaba.com.ph/wp-content/uploads/2023/05/MEMABA-2022-Annual-Report_Final.pdf#page=44</p>	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>MEMABA Website https://memaba.com.ph/</p> <p>MEMABA Website Additional Non-Financial Benefits https://memaba.com.ph/additional-non-financial-benefits/</p>	
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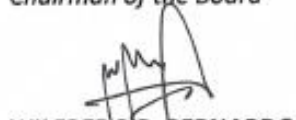
CERTIFICATION

The undersigned certify that the response and explanation set forth in the above Association's Annual Corporate Governance Report are true and correct of our own personal knowledge and/or based on authentic record.


Signed in the City of Pasig in the 22nd of May, 2023.


MARVIN G. GONSALVES
Chairman of the Board



EFREN V. OLPINDO
President


WILFREDO P. BERNARDO
Vice-President


MICHAEL ANGELO A. NAZAR
Corporate Secretary


WINSTON A. DELOS REYES
Treasurer


DOMINGO L. ROBLES
Auditor



CHRISTOPHER REDEEMSON R. BROCALES
Trustee and Legal Counsel


IMELDA A. REYES
Independent Trustee


RENSY B. ROBLES
Independent Trustee

SUBSCRIBED AND SWORN to before me
this day MAY 30 2023 at Q.C.

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PAGE# 8
BOOK# 18
SERIES OF 20 m


ATTY. CONCEPCION P. VILLARENA
Notary Public for Quezon City
Until December 31, 2023
PTR No. 3716371 / January 3, 2023 Q.C.
IBP No. 167803 / November 25, 2021 Q.C.
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 09-21-2021
ADM. MATTER No. NP-005 (2022-2023)
TIN NO. 131-942 754