

Stronger Ties, Uplifting Lives...



MEMABA, Inc.
— SINCE 1977 —

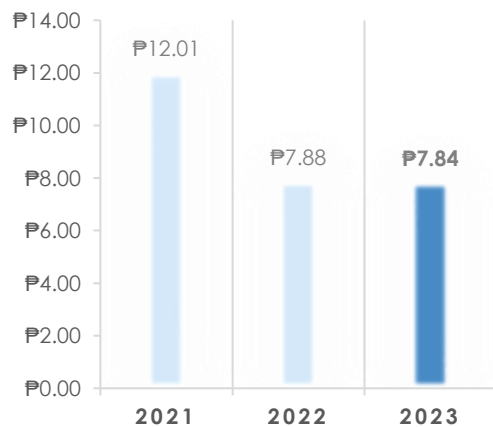
2023

Annual Report

Meralco Employees Mutual Aid and Benefits Association, Inc.
Meralco Center, Ortigas Ave. Pasig City, Philippines

2023 PERFORMANCE OVERVIEW

Cash Assistance



Amount in millions

TYPE OF CASH ASSISTANCE	QUANTITY	AMOUNT
Death of Member	86	₱ 5,580,000
Death of Spouse	38	561,000
Death of Parent	225	1,651,500
Death of Child (Below 21 years old)	10	80,000
Death of Child (Above 21 years old)	6	30,000
Fetal Death (8 to 20 weeks)	10	30,000
Totally Burned	3	67,500
Partially Burned	1	8,000
TOTAL	379	₱ 8,008,000

Loans



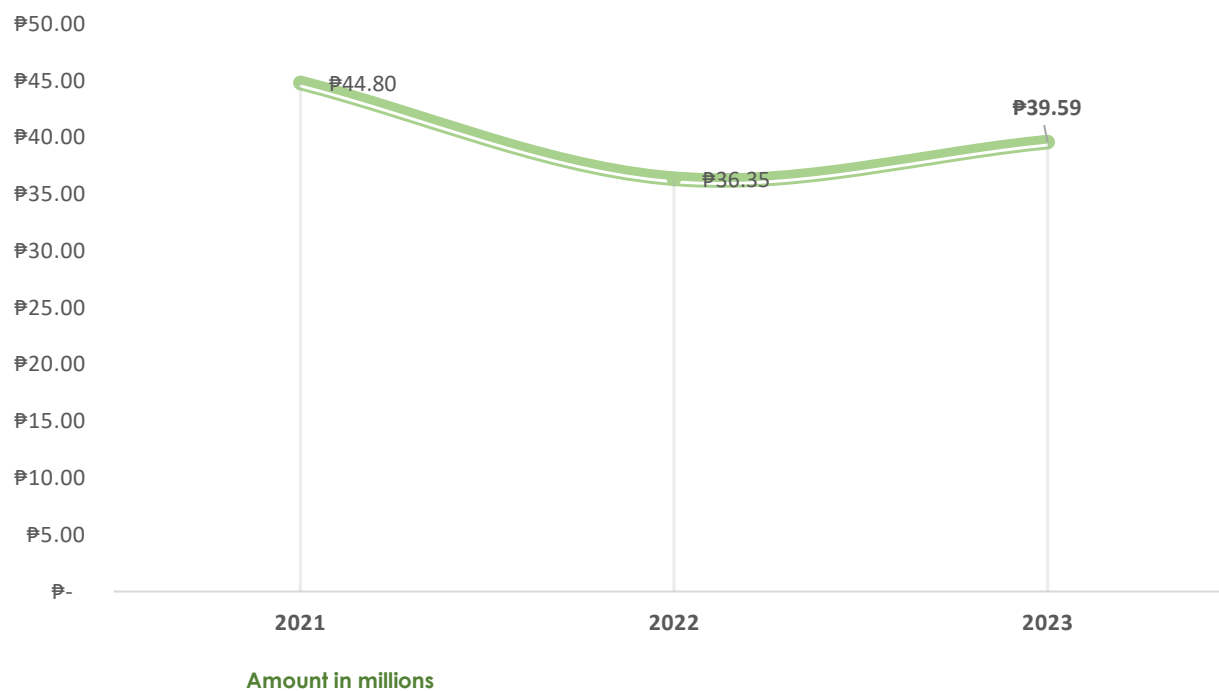
Amount in millions

TYPE OF LOAN	QUANTITY	AMOUNT
Educational Loan	479	₱ 27,741,830
Calamity Loan	113	3,138,200
Fire Loan	1	142,000
Funeral Loan	19	2,152,538
Hospitalization Loan	78	7,929,752
Medicine Loan	2	9,914
Supplemental Loan	2,690	315,261,804
TOTAL	3,382	₱ 356,376,038

Assets, Liabilities and Fund Balance



Revenues



Refund of Equity Value

₱3.39M*

407 Withdrawn members and beneficiaries of deceased members have received the refund of their equity value.



9,787 Strong MEMABA Members*

MISSION STATEMENT

Members

- Treat all our members fairly and equitably in providing benefits;
- To provide the best value of assistance to our members and their dependents;
- To continually enhance financial strength of its members and their dependents (the Association's help in the improvement of its members' financial status);
- To promptly respond to changing needs and concerns of members by continuous enhancement and development of benefits, assistance and services provided for the betterment of their welfare.

Operations/Association

- To regularly review policies and guidelines to address current and future needs of the Association for the benefits of its members;
- To enhance financial strength and stability through professional management of operations and creation of opportunities for organizational growth.

Directors and Officers

- To practice the highest standard of integrity and professionalism;
- To provide opportunities for professional growth and advancement for the interest of the Association and its members.
- To provide an environment that values its employees. Encourages personnel development, team spirit and mutual respect.

Regulatory/Government Entities, Suppliers, Insurance Companies, Financial Institutions

- To provide the highest standard of integrity and professionalism;
- To strengthen its relationship and partnership with regulatory bodies through fair, truthful and honest business dealings;
- To be responsible citizens in the communities we serve.

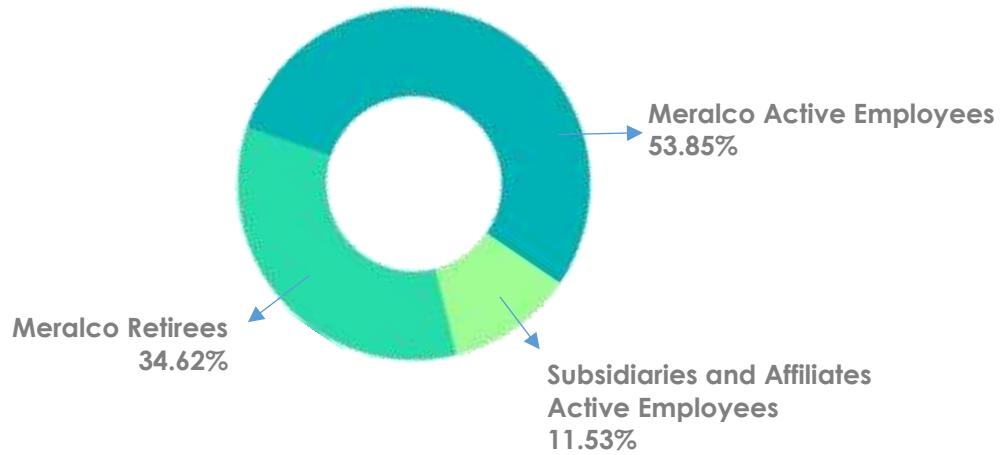
VISION STATEMENT

To be an independent mutual benefit association aimed at providing the best benefits and assistance to its members and beneficiaries/dependents.

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. The last review was during the Association's annual corporate planning in March 2023.

MEMBERSHIP

As of December 31, 2023, our Association has 9,787 members, 321 of them are retirees whose age are 80 years old and above and are exempted from paying the monthly contributions.



The members of the Association are MERALCO regular employees; MERALCO retirees; MEMABA regular employees; and MERALCO subsidiaries and its subsidiaries, and affiliates regular employees. We have members from the following Meralco subsidiaries and affiliates:



BENEFITS



The Association reviews, institutes, and ensures that the benefits of the members shall always be attuned with the present and future needs and in accordance with the policies, rules and regulations of the MERALCO, Insurance Commission and other regulatory agencies.

A member in good standing, one who remains current/updated on membership contributions to the Association and has no delinquent accountabilities to the Association, is entitled to the following benefits:

A. Cash Assistance

I. Funeral and Fire Victim Aid Benefit

TYPE OF FUNERAL AID BENEFIT	AMOUNT
Death of Member	₱65,000.00
Death of Spouse	15,000.00
Death of Parents	7,500.00
Death of Children (21 years old and below)	8,000.00
Death of Children (above 21 years old)	5,000.00
Fetal Death (8 to 20 weeks)	3,000.00

TYPE OF FIRE VICTIM AID BENEFIT	AMOUNT
Totally burned (Owned/Rented)	₱22,500.00
Partially burned (Owned/Rented)	8,000.00
Member-boarder	4,000.00

The following is the summary of the cash assistance granted to the members for the year 2023:

TYPE OF CASH ASSISTANCE	QUANTITY	AMOUNT
Death of Member	86	₱ 5,515,000
Death of Spouse	38	561,000
Death of Parent	289	1,561,500
Death of Child (Below 21 year old)	10	80,000
Death of Child (Above 21 years old)	4	20,000
Fetal Death (8 to 20 weeks)	10	30,000
Totally Burned	3	67,500
Partially Burned	1	8,000
TOTAL	377	₱ 7,843,000

B. Loans

The Association also provides a variety of short and long-term loan packages for the various purposes and needs of the members.

 <p>EDUCATIONAL LOAN</p>	<p>This loan may be availed by the members to help them finance their own or their dependents tuition fees and other school fees.</p>
<p>Maximum Loanable Amount</p>	<p>₱250,000.00</p>
<p>Interest rate</p>	<p>4.5% per annum</p>
<p>Maximum Term</p>	<p>1 year</p>
<p>Required minimum Take Home Pay (THP)</p>	<p>At least 10% of salary for active Meralco employee Approval from Meralco Payroll for Meralco retiree pensioner Subject to company policy for active employees from subsidiaries and affiliates</p>
<p>Requirements</p>	<p>Accomplished MEMABA Loan Application Form certified by G-3 heads</p> <p>Computation of Take-Home Pay (THP) via HR Express</p> <p>No co-maker for member who is Meralco employee. Co-maker who should be same pay grade level or higher for others</p> <p>Statement of account from the School</p>
<p>Note:</p>	<p>Check would be payable to the School or Institution</p>



CALAMITY LOAN

It is one of the Association's mandates to render assistance to members who are severely affected by calamities as declared by the government.

Maximum Loanable Amount	₱30,000.00
Interest Rate	4.5% per annum
Maximum Term	3 years
Required minimum Take Home Pay (THP)	<p>At least 10% of salary for active Meralco employee</p> <p>Approval from Meralco Payroll for Meralco retiree pensioner</p> <p>Subject to company policy for active employees from subsidiaries and affiliates</p>
Requirements	<p>Accomplished MEMABA Loan Application Form certified by G-3 heads</p> <p>Computation of Take-Home Pay (THP)</p> <p>Co-maker who should be same pay grade level or higher</p>



FIRE LOAN

This loan may be availed by a member who is a fire victim.

Maximum Loanable Amount

₱500,000.00

Interest Rate

4.5% per annum

Maximum Term

2 years

Required Minimum Take Home Pay (THP)

At least 10% of salary for active Meralco employee
Approval from Meralco Payroll for Meralco retiree pensioner
Subject to company policy for active employees from subsidiaries and affiliates

Requirements

Accomplished MEMABA Loan Application Form certified by G-3 head

Computation of Take-Home Pay (THP)

Co-maker which should same pay grade level or higher

Barangay Certificate

Photograph of the incident

Municipal Report of the incident from Bureau of Fire Protection

Notes:

The address reported where the fire occurred must be the same address registered by the member in his/her Data for Benefit Claim.

An investigation shall be conducted by the management of MEMABA or Meralco Security to verify the occurrence of the fire incident, proof of residence and proof of ownership.

The loan may be applied within a period of 1 month from the date of the fire incident.



FUNERAL LOAN

This loan may be availed by the members to cover funeral and memorial service expenses of their dependents.

Maximum Loanable Amount	₱150,000.00
Interest Rate	4.5% per annum
Maximum Term	2 years
Required Minimum Take Home Pay (THP)	At least 10% of salary for active Meralco employee Approval from Meralco Payroll for Meralco retiree pensioner Subject to company policy for active employees from subsidiaries and affiliates
Requirements	Accomplished MEMABA Loan Application Form certified by G-3 head Computation of Take-Home Pay (THP) Co-maker which should same pay grade level or higher A photocopy of the registered death certificate
Notes:	May be applied within a period of 1 month from the date of death of dependent.



HOSPITALIZATION LOAN

This loan may be availed by the members to help them finance their or their dependents hospital bills and other related hospital expenses.

Maximum Loanable Amount

₱200,000.00

Interest Rate

4.5% per annum

Maximum Term

2 years

Required Minimum Take Home Pay (THP)

At least 10% of salary for active Meralco employee
Approval from Meralco Payroll for Meralco retiree pensioner
Subject to company policy for active employees from subsidiaries and affiliates

Requirements:

Accomplished MEMABA Loan Application Form certified by G-3 head

Computation of Take-Home Pay (THP)

Co-maker which should same pay grade level or higher

Statement of Account from the hospital and/or attending physician

Official Receipt/s if payments already been made for reimbursement.

Notes:

Loan proceeds must be made payable to the hospital, attending physician, medical service provider and supplier.

A member may be allowed for reimbursement only if the Association has no business operation on the date of discharge or medical treatment provided with Official Receipt.

May be applied within a period of one (1) month from the date of confinement or treatment.



MEDICINE LOAN

This loan may be availed by the members thrice a year to cover the purchase of their own or their dependents prescribed medicines including that of their dependent's formula milk.

Maximum Loanable Amount

₱5,000.00

Interest Rate

4.5% per annum

Maximum Term

1 year

Required Minimum Take Home Pay (THP)

At least 10% of salary for active Meralco employee
Approval from Meralco Payroll for Meralco retiree pensioner
Subject to company policy for active employees from subsidiaries and affiliates

Requirements

Accomplished MEMABA Loan Application Form certified by G-3 heads

Computation of Take Home Pay (THP) via HR Express

Co-maker which should same pay grade level or higher


Prescription of the medicine

Medical Certificate

Notes:

The loan may be applied within a period of 1 month from the date of the prescription.

A purchase order (PO) shall be issued by the MEMABA to be presented to the accredited drug store (Mercury Drug-Robinson's Galleria Branch only).

 <p>SUPPLEMENTAL LOAN</p>	<p>This loan may be availed by the members to help them meet other financial needs</p>
<p>Maximum Loanable Amount</p>	<p>₱170,000.00</p>
<p>Interest Rate</p>	<p>6% per annum</p>
<p>Maximum Term</p>	<p>3 years</p>
<p>Required Minimum Take Home Pay (THP)</p>	<p>At least 40% of salary for active Meralco employee Approval from Meralco Payroll for Meralco retiree pensioner Subject to company policy for active employees from subsidiaries and affiliates</p>
<p>Requirements</p>	<p>Accomplished MEMABA Loan Application Form certified by G-3 head</p> <p>Computation of Take-Home Pay (THP)</p> <p>Co-maker which should same pay grade level or higher</p>
<p>Notes:</p>	<p>Loan renewal will only be allowed if he has paid at least 50% of the outstanding loan.</p>

The following is the summary of the loans granted for the year 2023:

TYPE OF LOAN	QUANTITY	AMOUNT
Supplemental Loan	2,690	315,261,804
Educational Loan	479	27,741,830
Hospitalization Loan	78	7,929,752
Calamity Loan	113	3,138,200
Funeral Loan	19	2,152,538
Fire Loan	1	142,000
Medicine Loan	2	₱ 9,914
TOTAL	3,380	₱356,376,038

To help members augment their financial need brought about by the Coronavirus Disease 2019 (COVID-19) Pandemic, MEMABA continue to offer Calamity Loan in 2023.

III. Refund of Equity Value



Upon termination of membership, a member shall be entitled to an amount equivalent to the equity value of his membership contributions. The equity value is computed at fifty percent (50%) of a member's total contributions paid. Any unpaid indebtedness as of the date of membership termination shall be deducted from a member's equity value entitlement.

As of December 31, 2023, there are four hundred ninety-one (407) withdrawn members and beneficiaries of deceased members received their equity value with total amount of ₱ 3,394,541.00.

MANAGEMENT

The Association has eight (8) competent members of the Board of Trustees, two (2) of whom are Independent Trustees, who are each elected by the members entitled to vote on Annual General Membership Meeting. Both Regular and Independent Trustee hold office for a term of two (2) years and each of them shall be entitled to hold office only for two (2) terms or a total of four (4) years.

The following are the type of their directorship for the years 2023:

NAME	TYPE OF DIRECTORSHIP
Marvin G. Gonsalves	Non-executive Trustee
Efren V. Olpindo	Non-executive Trustee
Wilfredo P. Bernardo	Non-executive Trustee
Michael Angelo G. Nazar	Non-executive Trustee
Winston A. Delos Reyes	Non-executive Trustee
Domingo A. Robles	Non-executive Trustee
Imelda A. Reyes	Independent Trustee
Rensy B. Robles	Independent Trustee

The current Independent Trustees, Ms. Imelda A. Reyes and Mr. Rensy B. Robles, are on their second year serving as Independent Trustees.

Working with them is a legal counsel and a general manager who supervises six (6) well-trained and dedicated MEMABA hired employees

MEMABA BOARD OF TRUTEES



MEMABA STAFF





Regular Trustees


		MR. MARVIN G. GONSALVES Chairman <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS		A licensed Professional Electrical Engineer (PEE) Master's Degree in Electrical Engineering University of the Philippines – Diliman Bachelor of Science in Electrical Engineering Central Philippines University
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY		NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)		Anti-Money Laundering Act (AMLA) Seminar February 27, 2021 Corporate Governance November 9, 2023

		MR. EFREN V. OLPINDO President <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS		Master's Degree in Applied Business Economics University of Asia and the Pacific (UA&P) Bachelor of Science in Electrical Engineering MAPUA Institute of Technology
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY		NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)		Anti-Money Laundering Act (AMLA) Seminar February 27, 2021 Corporate Governance December 2015


	MR. WILFREDO P. BERNARDO Vice - President <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Master's Degree in Business Administration De La Salle Graduate School of Business Bachelor of Science in Electrical Engineering MAPUA Institute of Technology
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	Corporate Governance January 29, 2021 Anti-Money Laundering Act (AMLA) Seminar February 27, 2021


	MR. MICHAEL ANGELO A. NAZAR Corporate Secretary <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Bachelor of Science in Communications Engineering University of Sto. Tomas
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	Corporate Governance January 29, 2021 Anti-Money Laundering Act (AMLA) Seminar February 27, 2021

	MR. DOMINGO L. ROBLES Auditor <i>Trustee since January 1, 2020</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Master's degree in Business Administration Baliwag University Bachelor of Science in Electrical Engineering FEATI University
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	Corporate Governance January 29, 2021 Anti-Money Laundering Act (AMLA) Seminar February 27, 2021

	MR. WINSTON A. DELOS REYES Treasurer <i>Trustee from January 1, 2014 to December 31, 2017 and January 1, 2020 to present</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Manage Development Program Asian Institute of Management Bachelor of Science in Electrical Engineering Mapua Institute of Technology
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE

INDEPENDENT TRUSTEES

	MS. IMELDA A. REYES Independent Trustee <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Bachelor of Science in Electrical Engineering MAPUA Institute of Technology
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	Corporate Governance January 29, 2021 Anti-Money Laundering Act (AMLA) Seminar February 27, 2021


	MR. RENSY B. ROBLES Independent Trustee <i>Trustee since January 1, 2022</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	Bachelor of Science in Electrical Engineering MAPUA Institute of Technology
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	NONE
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	Corporate Governance January 29, 2021 Anti-Money Laundering Act (AMLA) Seminar February 27, 2021

KEY OFFICERS


	ATTY. CHRISTOPHER REDEEMSON R. BROCALES Legal Counsel <i>Officer since June 1, 2016</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	<p>Certificate in Fundamentals of Organization Development Ateneo de Manila University, 2016</p> <p>Juris Doctor, Ateneo de Manila University, 2008</p> <p>AB Development Economics San Beda College – Manila, 2004</p>
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	<p>NONE</p>
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	<p>Corporate Governance January 29, 2021</p> <p>Anti-Money Laundering Act (AMLA) Seminar February 27, 2021</p>
	MR. GREGORIO P. FIGUEROA, JR. Vice-President for Operations and General Manager Compliance Officer <i>General Manager since August 2005</i>
ACADEMIC / PROFESSIONAL QUALIFICATIONS	<p>Bachelor of Science Commerce- Major in Management Ortañez University, 1982</p>
PRESENT CORPORATE DIRECTORSHIP TO OTHER COMPANY	<p>NONE</p>
SEMINARS ATTENDED (CORPORATE AND GOVERNMENT)	<p>Anti-Money Laundering Act (AMLA) Seminar February 27, 2021</p> <p>Corporate Governance December 2015</p>

COMMITTEES


Mandatory Committees

	Chairman:	Wilfredo Bernardo
	Members:	Efren V. Olpindo
		Michael Angelo A. Nazar
		Rensy B. Robles

Audit Committee


	Chairman:	Domingo L. Robles
	Members:	Winston A. Delos Reyes
		Imelda A. Reyes

Remuneration Committee

	Chairman:	Rensy B. Robles
	Members:	Efren V. Olpindo
		Michael Angelo A. Nazar
		Wilfredo P. Bernardo

Nomination Committee

Management Committees

	Chairman:	Winston A. Delos Reyes
	Members:	Marvin G. Gonsalves
		Wilfredo P. Bernardo
		Rensy B. Robles

Investment Committee

**Benefits Committee**

Chairman:	Domingo L. Robles
Members:	Michael Angelo A. Nazar
	Imelda A. Reyes

**I.T. Committee**

Chairman:	Michael Angelo A. Nazar
Members:	Efren V. Olpindo
	Winston A. Delos Reyes
	Imelda A. Reyes

**Membership Committee**

Chairman:	Efren V. Olpindo
Members:	Marvin G. Gonsalves
	Wilfredo P. Bernardo
	Rensy B. Robles

**Corporate Governance Committee**

Chairman:	Imelda A. Reyes
Members:	Marvin G. Gonsalves
	Domingo L. Robles
	Michael Angelo A. Nazar

COMPLIANCE ON CORPORATE GOVERNANCE



Meralco Employees Mutual Aid and Benefits Association, Inc. (MEMABA, Inc.) is governed by the key principles of good corporate governance as embodied in the Association's By-Laws, Manual on Corporate Governance and Code of Ethics.

The Association firmly adheres to the principles of fairness, accountability, transparency and integrity.

COMPLIANCE OFFICER

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice-President or its equivalent.

He shall have direct reporting responsibilities to the Chairman of the Board.

The Association's Compliance Officer for 2023 is Mr. Gregorio P. Figueroa, Jr. He is the VP for Operations and General Manager of the Association. He is not a member of the Board of Trustees.

The following are the key component in the Association's good corporate governance:

BOARD OF TRUSTEES

It is the Board's responsibility to assure the Association's compliance with the corporate governance principles. It devotes time and effort necessary to faithfully discharge its duties and responsibilities.

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.



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.

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. The last review of the Association is in March 2023 during their annual corporate planning.

General Responsibility

A Trustee's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness.

Specific Duties and Functions



To ensure a high standard of best practice for the Association and its stakeholders, the Board shall:

- Install a process of selection to ensure a mix of competent Trustees and officers;
- Determine the Association's purpose, its vision and mission and strategies to carry out its objectives;
- Ensure that the Association complies with all relevant laws, regulations and codes of best business practices;
- Identify the Association's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program;
- Adopt a system of internal checks and balances;
- Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded and its minutes transcribed; and
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation.

Duties and Responsibilities of a Trustee

A Trustee shall have the following duties and responsibilities:

- To conduct fair business transactions with the Association and to ensure that personal interest does not bias Board decisions;
- To devote time and attention necessary to properly discharge his duties and responsibilities;
- To act judiciously;



The Board consist of nine (9) trustees, seven (7) Regular Trustees and two (2) Independent Trustees, who are each elected by members entitled to vote on Annual General Membership Meeting. The criteria for qualifications and disqualifications of trustees are provided in the Association's Manual of Corporate Governance. The duly elected members of the Board of Trustees shall hold office for a term of two (2) years, unless removed for cause, or has resigned. No Trustee shall serve for more than two consecutive terms. Voluntary renunciation of the office for any length of time shall not be considered as an interruption in the continuity of service for the full term for which the Trustee was elected.

The Board of Trustees elect among themselves the officers and the head and members of each Committee.

The Board is consisting of well competent and experienced members. The profile of each Trustee is provided in this Association's Annual Report. All members of the Board have attended the Corporate Governance and Anti-Money Laundering seminar in compliance with the requirement of the Association's regulatory bodies and the Association also encourages them to attend other seminars as part of their continuing education programme. They have also attended different trainings and seminars provided by MERALCO.

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.

The Association also provides relevant annual continuing training for all trustees such as seminar on Anti-Money Laundering Act and any updates on the said act, corporate governance and other applicable seminar that could help them in performing their roles and responsibilities as Trustees. Aside from these, Meralco also provide applicable trainings and seminars that the Trustees may apply in performing their responsibilities to the Association.

Independent Trustee

Independent Trustee is a natural person who is independent of the management of the Association and is free from any business or relationship with any other corporation which could, or reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a trustee of the Association.



An Independent Trustee shall hold office for a maximum cumulative term of nine (9) years. Thereafter, he/she will be perpetually barred from any re-election in the Association as an independent trustee but may continue to serve as a regular trustee.

For the year 2023, the Independent Trustees of the Association are Ms. Imelda A. Reyes and Mr. Rensy B. Robles. Both of them are on their first year serving as Independent Trustee.

Board Diversity



The Association values the benefits that diversity can bring to its Board of Trustees. Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and improves oversights, decision-making and governance. Diversity on the Board also demonstrates the Association's commitment to diversity at all levels within the Association.

The Association is also committed to fostering an inclusive culture based on merit and free of conscious or unconscious bias.

When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Association will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board. The Board also seeks to maintain diversity in membership of its committees and in Board leadership roles and will consider diversity when assigning chair roles for the Board and its committees.

For purposes of board composition, diversity includes, but is not limited to:

- skills and experience
- gender
- race
- culture/ethnicity
- sexual orientation
- ability
- age
- language
- other personal characteristics.

The Association believes promotions of diversity is best served through careful consideration of all the knowledge, experience, skills and background of each individual candidate for director in light of the needs of the Board without focusing on a single diversity characteristic and accordingly, has not adopted specific Board diversity goals.

For the year 2023, the Association has one (1) female and seven (7) male trustees.

Board Performance



As indicated in the Association's amendment By-Laws, the Board of Trustees holds its regular monthly meetings every last Thursday of the month at the office of the Association to deliberate the major issues that affect the Association. They also have additional meetings as the need arises. 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. The Board of Trustees held sixteen (XX) regular and special meetings for the year 2023.

As indicated also in the Association's amendment By-Laws, the Association will holds its annual general membership meeting (AGMM) every second Tuesday of May. For the year 2023, the Association do not have annual general membership for the amendment to the By-Laws was approved by the Securities and Exchange Commission on September 2023.

The records of the attendance of the trustees for the regular and special Board meetings held are provided below:

MEMBERS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Marvin G. Gonsalves	13	13	100
Efren V. Olpindo	13	13	100
Wilfredo P. Bernardo	13	11	84.62
Michael Angelo A. Nazar	13	12	92.31
Winston A. Delos Reyes	13	10	76.92
Domingo L. Robles	13	13	100
Imelda A. Reyes	13	12	92.31
Rensy B. Robles	13	13	100

Board Remuneration



The Trustees and Officers of the Association do not receive any compensation or remuneration from the Association except for the reasonable amount of per diem.

Board Committees

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.

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.

The functions and responsibilities of each committee are as follows:

Audit Committee

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.



For the year 2023, the Audit Committee held two (2) meetings for the purpose of the following: setting of Audit Committee plans for 2023 and review of the Association's 2023 audited financial statements. The following are details of their attendance:

NAME	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Wilfredo Bernardo	2	2	100
Efren V. Olpindo	2	2	100
Michael Angelo A. Nazar	2	2	100
Rensy B. Robles (Independent Trustee)	2	2	100

Remuneration Committee



This committee is in charge for setting up remunerations for all the members of the Board, officers and employees of the Association. This committee assists in developing and implementing of the performance targets. It shall also recommend and monitor the level and structure of salaries and benefits. The Committee follows what is stated in the Association's By-Laws as guidelines in setting the remuneration of the members of the Board of Trustees.

For the year 2023, the Remuneration Committee has set two (2) meetings to set the plans of the remunerations of the staff for the year 2023, and approval of the employees' performance bonus for the year 2023, which was also attended by the other Trustees. The following are the details of their attendance:

NAME	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Domingo L. Robles	2	2	100
Winston A. Delos Reyes	2	2	100
Imelda A. Reyes (Independent Trustee)	2	2	100

Nomination Committee

The Nomination Committee is responsible in planning of all activities relative to the election and establishes policies, rules and regulations governing the manner of the election of the regular and independent members of the board of trustees from the nominees submitted. The Association observes the following rules: Rules on Election of Trustees, Rules in Validation of Proxies, Rules on Appreciation of Ballots and Rules on Registration in Annual General Membership Meeting.



For the year 2023, the Nomination Committee has set two (2) meetings to discuss the plans and activities for the Annual General Membership Meeting, and execution of the activities for the Annual General Membership Meeting to be held on May 14, 2024. The following are the details of their attendance:

NAME	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%
Rensy B. Robles (Independent Trustee)	2	2	100
Efren V. Olpindo	2	2	100
Michael Angelo A. Nazar	2	2	100
Wilfredo P. Bernardo	2	2	100

Investment Committee

The Committee shall be in-charge in reviewing the financial operations of the Association and matters regarding the acquisition of investments in companies, business, or projects in generating income for the Association for the benefits of its members.



I.T. Committee



The Committee ensures that the computing system or the Association shall be at par with the present technologies and that its financial transactions are properly encoded in the system. It is also their responsibility for the development and maintenance of the Association's website and other communication facilities whether internal or external.

Membership Committee

The Association intensified its monitoring of newly regularized MERALCO employees with the end in view of encouraging them to be members of the Association.



Benefits Committee



The Committee reviews, institutes, and ensures that the benefits of the members of the Association shall always be in accordance with the policies, rules and regulations of the Insurance Commission and that the same are attuned with the present and future times.

CORPORATE SECRETARY

The Corporate Secretary is an officer of the Association and perfection in performance and no surprises are expected of him/her. He plays an important role in supporting the Board in discharging its responsibilities. The Corporate Secretary ensures the effectiveness of the Board, sees to it that the Board policies and procedures are observed in all its activities, and assists the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.

For the year 2023, the Association's Corporate Secretary is Mr. Michael Angelo A. Nazar

EXTERNAL AUDITOR

It is the primary responsibility of the Audit Committee to recommend an external auditor for appointment, re-appointment or removal of an external auditor which is subject to members' approval during Annual General Membership Meeting.

The accounts of the Association for the year ending December 31, 2023 were audited by auditors of Diaz Murillo Dalupan and Company (DMD CPA & Co.) who were re-appointed by the Board of Trustees. The engagement partner assigned to the Association is Mr. Alexes B. Abella, a certified public accountant (CPA) who has extensive accounting and auditing experience.



The fees incurred by the Association for DMD CPA & Co.'s services amounted to ₱157,920, inclusive of VAT, and Out-of-pocket expenses amounting to ₱10,000.00. The DMD CPA and Co. has not been engaged by the Association to perform non-audit services.

INTERNAL AUDITOR

The Audit Committee recommends for approval to the Board of Trustees the appointment of the internal auditor. With the recommendation and approval of the Board of Trustees, the Association's Auditor and Audit Committee serve as the internal audit of the function of the Association for the year 2023 and Mr. Winston A. Delos Reyes serves as the head of the Association's internal audit.

CODE OF ETHICS



The Association adopted a Code of Ethics that outlines the expectations and standard of good practice that are required to be observed and complied by the Board of Trustees, officers and employees to their level best, in dealings with members, fellow employees and other stakeholders within and outside association premises. This provides good practices on the following: serving and protecting the interests of the members, rewarding the employees, maintaining safe and working environment, establishing communications, respecting individuals, dealing with suppliers, respecting confidentialities and prohibiting illegal acts.

RISKS MANAGEMENT

As part of the effective management processes, the Association's Risk Management Policy provides guidelines to the Board of Trustees, officers and staff that can be applied to help manage risks before it affects the Association. The Board of Trustees should regularly review and assess the risks that the Association faced in all areas of work and plan for the management of risks. The risks that the Association may face are categorized as follows:



Liquidity Risk

Liquidity Risk is the risk that the Association will be unable to provide a timely payment on any of its financial obligations to its members or counterparties. These may include the payment for the cash assistance for the benefit of the members and loans being granted to members. The Association ensures to meet its financial obligations when these become due, to have available funds for the new benefits to be offered to members, and to cover unplanned expenditures. The Association carefully monitoring scheduled payments.

Credit Risk

Credit Risk is the risk that the Association's counterparty fails to discharge an obligation to the Association. The Association is exposed to this risk for various financial instruments, like granting loans and receivables to members and placing deposits and investments in bonds. The Association continuously monitors defaults of members and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Association's policy is to deal only with creditworthy counterparties.

Insurance Risk

The principal risk the Association faces under insurance contracts is that the actual claims and benefit payments or timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long-term claims. Therefore, the objective of the Association is to ensure that sufficient reserves are available to cover these liabilities. The significant factors that could increase the overall frequency of claims are terrorisms, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims that expected. The Association manages its insurance risks by ensuring it generates lasting returns from its financial assets, so that it will be able to fund its obligation arising from insurance contracts.

Compliance Risk

Compliance Risk arise from violations or non-conformity to laws, rules and regulations, circulars, and prescribed practices of Insurance Commission and other regulatory bodies that may expose to fines and penalties by the regulatory bodies. The Association makes sure its compliance to its Manual of Corporate Governance and other compliance policies.

FINANCIAL PERFORMANCE INDICATORS



The primary goal of the Association is to have a healthy financial condition, to lessen its expenses, particularly the administrative expenses, and to comply to various financial requirements of the IC.

As a mutual benefit association, who secures a license from Insurance Commission, the Association complies with the financial requirements of Insurance Commission. Among these are total administrative expenses should not be more than 20% of the total gross revenue and maintaining a high ratio in Risk Based Capital (RBC) Framework requirement for the Philippines Mutual Benefit Association.

For the year 2023, the administrative expenses of the Association are only 17.30% of the total revenues and the Association's RBC ratio of 173.16%.

NON- FINANCIAL PERFORMANCE INDICATORS

The Association fully commits itself in giving assistance to its members. We make sure that all cash assistance and loan applications will be processed within the day upon submission of complete documents and complied all the requirements. The Association consistently improved its products and services that it may offer to its members by increasing the maximum loanable amount of different loans, decrease interest rates and proposes increase in different donations.

EMPLOYEES



The Association provides trainings, seminars and other required programs by the regulatory body that could help employees to improve their knowledge and skills in order to perform their works effectively and efficiently. Among these are seminars in Anti-Money Laundering Law, corporate governance seminar, and other seminars required by the Insurance Commission for a mutual Benefits Association, Inc. The Board of Trustees also disseminates every policy and program, including any amendments, to the employees through trainings and memos to embed them in the

Association's culture.

Health, Safety and Welfare of Employees

It is the Association's responsibility to ensure and keeping working conditions safe and healthy should be everyone's business and make sure that their welfare is being improved, however, employees are expected to help and cooperate. The Association has the following programs to promote the health, safety and welfare of its employees:

1. Ensures that the Association's concerns are being heard and responded.
2. Keep the employees informed of the hazards likely to occur in the workplace during health and safety training, precautionary labels, emergency alarms, and similar stuff.
3. Providing sick leaves to the employees
4. Providing Annual Physical Examination leave requiring employees to undergo annual medical exams and other screening procedures to ensure maximum health which can be detrimental if there are illnesses left unchecked and can likely harm the majority.
5. Safeguarding of medical records in case an incident affecting an employee happens in the work area where medical history of the patient will immediately become a need
6. Avoid discrimination of employees.



Workplace Environment of Employees

The Association ensures that the workplace is environmental friendly by providing the following:

1. Fair employee policy - which applies to all employees regardless of their position or designation in the Association. If policy changes, the Association ensures everyone knows about it.
2. Break time – encouraging the employees to take a 15-minute break in the morning and in the afternoon, and 1-hour in lunchtime which will assist to relieve muscle fatigue, eyestrain and to restore the level of concentration.
3. Clean and comfortable office

To conserve resources, the Association requires the employees to turn-off all electrical equipment when not in use and maximize or recycle all materials that can still be used.

Rewards to Account Performance



The Association provides the following to employees:

1. Years of Service Award to recognize an employee's continued contribution to the Association over a number of years.
2. Annual Bonuses in addition to their base pay
3. Performance Bonuses which are based on performance of both the employee and the Association.

Whistle blowing

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.



Employees have rights to voice out their concerns regarding the following:

- a. Unauthorized use of Association's funds
- b. Sexual, physical or other abuse
- c. Fraud and corruption
- d. Breach of law
- e. Non-performance of work obligations
- f. Non-compliance of health, safety and environmental laws and regulations.
- g. Non-compliance of any Association's rules and policies
- h. Other unethical conduct
- i. Actions which are unprofessional, inappropriate or conflict with a general understanding of what is right and wrong.

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.

SUPPLIERS



The Association has a policy that covers the accreditation, selection, bidding and approval process for selection of the suppliers. The Association usually considers the following factors in selecting suppliers:

1. Cost
2. Quality of the service
3. Efficiency
4. The relationship of the Association with the supplier.

The Association prohibits transactions involving solicitation, directly or indirectly acceptance of any gifts, commission and any other form of payment from members, suppliers and other parties in exchange for any unfavorable treatment.

ANTI – CORRUPTION PROGRAMS AND PROCEDURES

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:

1. Not to offer, promise or give bribes to obtain, retain or “facilitate” business or any transactions of the Association.
2. Shall not request, agree to accept or take bribes from any member of the Association, suppliers, business partners as well as with the government.



RELATED PARTY TRANSACTION



The Association ensure that all related party transactions (RPTs) should be under such terms and conditions that are at arm's length and serve the best interests of the Association and the members as a whole, comply with applicable laws, and regulatory requirements. The material or significant RPTs reviewed and approved during the year should be disclosed as appropriate as provided the policy.

Any financial transaction, arrangement or relationship in which the aggregate amount involved is beyond the threshold, outcome of the transaction will have the ability to control or to exercise significant influence. It may be reported by the Management for endorsement to the Board of Trustees (BOT) for approval.

Each Trustee, member or officer is responsible to declare any RPTs and the material interest that they or an immediate family member may have on such transaction.

The following information, to the extent relevant, with respect to the proposed RPTs should be disclosed:

- a. A general description of the transaction/s including the material terms and conditions.
- b. The purpose and timing of the transaction;
- c. The name of the Related Party and the basis on which such person is a Related Party.
- d. The aggregate value of the transaction.
- e. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result or in connection with the proposed transaction
- f. Any other material information that may deem relevant.

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. The Committee's composition shall, to the extent practicable, be in accordance with the Manual for Corporate Governance as well as with applicable laws, rules and regulations.

Trustees with material interest in a transaction affecting the corporation should abstain from taking part in the deliberation for the same.

The Association shall disclose the material RPTs, shall be reported to regulatory agencies as required, and necessary disclosures shall be made also in the Notes to the Financial Statements and on Annual Report.

The Association accepts loans and benefits application:

Mondays to Fridays

7:00 am to 5:00 pm

Tel.: 1622-6993, 6994 and 6069

Our Accounting Department is available:

Mondays to Fridays

8:00 am to 5:00 pm

Tel.: 1622-3930 and 3936

Address:

Employees Services Center, Meralco Center, Ortigas Avenue, Pasig City

Fax: 1622-8895

Email address:

memaba.staff@meralco.com.ph

Website:

www.memaba.ph