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NOTICE ON THE 2025 ELECTION OF BOARD OF TRUSTEES

The Election Committee of the Meralco Employees Savings and Loan Association, Inc. is pleased to announce that the election of the Board of Trustees of the Association shall be held on 11 April 2025¹ during the face-to-face Annual Membership Meeting.

- I. Seven (7) trustees (two (2) regular trustees, two (2) corporate trustees, and three (3) independent trustees)² shall be elected who shall serve office for two (2) years, from 2 May 2025 to 2 May 2027, or until their successors shall have been elected and qualified³.
- II. It is the sole and primary responsibility of the member intending to run for trusteeship to satisfactorily discharge the burden of proving that he/she possesses all of the qualifications and none of the disqualifications under the law and the pertinent rules and regulations of the Association, and that he/she is fully able and capable to perform the duties and responsibilities appurtenant thereto.
- III. The qualifications of a trustee are as follows:
 1. At least twenty-five (25) years of age at the time of his/her election⁴;
 2. A primary member in good standing for the past two (2) years, as defined by the Board⁵;

A member shall be deemed “in good standing” provided he/she fulfills all of the following conditions:

- a. he/she has no dormant regular savings deposit account with the Association⁶;
 - b. he/she has attended, in person or by proxy, the Annual Membership Meeting held on 12 April 2024⁷; and
 - c. he/she has no loan/s with unpaid/missed payments for at least 90 days with the Association.
3. Holds or has held a managerial position for at least five (5) years⁸;

¹ Section 1, Article IV, By-Laws

² Section 8 (b.2) (iii), Article IV, By-Laws; Section 1, Article V, By-Laws; Board Resolution Nos. 2023-195, dated 30 November 2023, and 2024-079, dated 22 May 2024

³ Section 4, Article V, By-Laws; Corporate Governance Manual, approved by the Board on 30 November 2023; Sections 22 and 91, Revised Corporation Code of the Philippines (RCCP)

⁴ Section 131-S, 2020 Manual of Regulations for Non-Bank Financial Institutions (MORNBF1)

⁵ Section 7, Article IV, By-Laws; Board Resolution No. 2023-196, dated 30 November 2023, as ratified by the members during the 12 April 2024 Annual Membership Meeting, per Resolution Nos. AMM-2024-02 vis-à-vis AMM-2024-05

⁶ Savings deposit shall be classified as dormant if no deposit or withdrawal has been made for the last two (2) years. (Section 213-S, 2020 MORNBF1)

⁷ Board Resolution No. 2024-076, dated 22 May 2024

⁸ Section 7, Article IV, By-Laws



Article 212 (m) of the Labor Code of the Philippines defines a managerial employee or employee holding a managerial position as “one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees, or to effectively recommend such managerial actions.”

Employees are considered occupying managerial positions if they meet all of the following conditions, namely:

- a. Their primary duty consists of management of the establishment in which they are employed or of a department or subdivision thereof;
- b. They customarily and regularly direct the work of two or more employees therein; and
- c. They have the authority to hire or fire other employees of lower rank; or their suggestions and recommendations as to the hiring and firing and as to the promotion or any other change of status of other employees are given particular weight.⁹

An employee with a seemingly managerial position but did/has not actually performed the duties and responsibilities appurtenant to such managerial position (e.g., in cases where the functions of the President may only be exercised by the Executive Vice President if the former is absent or incapacitated, or the Vice President of the Philippines whose function, absent an appointment elsewhere, is merely to succeed the President in case of vacancy, absence, or incapacity) is not considered to have occupied a managerial position.¹⁰

An employee with a “team leader”, “superintendent” or “senior superintendent” rank is not automatically holding a managerial position. “Rank” and “position” are not the same. That a person is ranked as a “superintendent” or “senior superintendent” does not conclusively establish that he/she held a managerial position, as required under the By-Laws, and as contemplated under the Labor Code of the Philippines.¹¹

Further, that the team handling the processing of compensation is called “managerial compensation” does not *ipso facto* mean that the employees under the team are all managers holding a managerial position.¹²

4. College graduate¹³;
5. Fit and proper for the position of a trustee;

In assessing integrity/probity, consideration shall be given to one’s reputation, observed conduct and behavior, as well as his/her ability to continuously comply with internal policies and applicable laws and regulations, which include industry/mother unit’s conduct rules, and the relevant requirements and standards of any regulatory body, professional body, or government and any of its instrumentalities/agencies.¹⁴

⁹ Clientlogic Philippines, Inc. (Now Sitel) vs. Benedict Castro, G.R. No. 186070, April 11, 2011

¹⁰ Election Committee Decision dated 13 January 2021

¹¹ Election Committee Decision dated 30 January 2023

¹² *Id.*

¹³ *Id.*

¹⁴ Section 132-S, MORNBF1, as amended by Section 1, Circular No. 1115, series of 2021



MERALCO EMPLOYEES SAVINGS AND LOAN ASSOCIATION, INC.

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6. For a re-electing trustee, he/she must have attended at least fifty percent (50%) of all board meetings of the Association every year¹⁵; and
 7. Possesses all the qualifications and none of the disqualifications provided for under the Revised Corporation Code of the Philippines (Republic Act No. 11232; RCCP), BSP Manual of Regulations for Non-Bank Financial Institutions and its subsequent amendments (MORNBF1), and other relevant laws¹⁶, and is fully able and capable to perform the duties and responsibilities appurtenant thereto.
- IV. In compliance with the provisions of the RCCP and BSP Circular No. 1115, series of 2021, three (3) of the seven (7) trustees shall be independent trustees. Independent trustees must be independent of the management of the Association and free from any business or other relationship which could or could be reasonably perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities as trustees of the Association. As independent trustees are at the forefront of promoting good corporate governance, they shall uphold and promote truth, fairness, transparency, and accountability. They:
1. are not, and have not been, in the three (3) years immediately preceding the election, a trustee, officer, or employee of the Association (other than as an independent trustee of the Association);
 2. are not relatives of any trustee or officer of the Association. For this purpose, “relative” includes spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister;
 3. have not been employed in any executive capacity by the Association within the last three (3) years;
 4. are not retained as professional advisers, auditors, consultants, agents or counsels of the Association within the three (3) years immediately preceding the date of his/her election, either personally or through his/her/their firm. Likewise, they are independent of Management and free from any business or other relationship within the same period; and
 5. are not employed as executive officers of another company where any of the Association’s executives serve as trustees.
- Notwithstanding item (1) above, no independent trustee shall serve for more than two (2) consecutive terms, without prejudice to being elected as a non-independent trustee in the Association or as an independent trustee in other companies. In case the Association wants to retain an independent trustee who has served for two (2) consecutive terms already, the Board should provide meritorious justifications and seek members’ approval during the annual membership meeting.¹⁷
- V. The grounds for the disqualification, permanently or temporarily, as trustees are provided in Section 135-S of the MORNBF1, as may be amended by the BSP.¹⁸ These are incorporated *in toto* by reference.

¹⁵ *Id.*; Section 5, BSP Circular No. 1136, series of 2022, dated 16 February 2022; The 2023-2025 set of Board of Trustees has, to date, attended at least 50% of all board meetings of the Association since 2023.

¹⁶ Section 7, Article IV, By-Laws

¹⁷ Corporate Governance Manual, approved by the Board on 30 November 2023

¹⁸ <https://www.bsp.gov.ph/Regulations/MORB/2020MORNBF1.pdf>



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Further, an independent trustee shall no longer qualify as such if, during his/her tenure, he/she becomes an officer or employee of the Association or becomes any of the persons disqualified for independent trusteeship, and he/she fails to meet the attendance requirement as set forth in the By-Laws and MORNBF1.¹⁹

- VI. Members interested to run for trusteeship shall submit **NOT LATER THAN 5 PM, 18 OCTOBER 2024** at the MESALA Office (Attention: Compliance Officer) or *via* email at compliance@mesala.com.ph the duly accomplished and notarized Certificate of Candidacy, and/or the Board Resolution or notarized Secretary's Certificate (for corporate trustees).
- VII. The Committee reserves the right to conduct such procedures, including interviews and evaluation of additional documents required of a member interested to run for trusteeship, to facilitate the effective screening of candidates. Further, the Committee has the power to admit additional candidates should the candidates for initial list be below the required number.²⁰ Thereafter, it shall prepare the list of official candidates of not less than three (3) members, for independent trustees; of not less than two (2) members, for corporate trustees; and of not less than two (2) members, for regular trustees.²¹

Said list, including the full names, pictures, and short list of credentials of the candidates, shall be posted in conspicuous places, including the principal office, Facebook page, and website of the Association.

Thank you and keep safe.

Pasig City, 9 September 2024.

THE ELECTION COMMITTEE

[ORIGINAL SIGNED]
REDENTOR L. MARQUEZ
Chairperson

[ORIGINAL SIGNED]
LIZA ROSE
G. SERRANO-DIANGSON
Member

[ORIGINAL SIGNED]
Atty. LESTER F.
BERNARDO, JR.
Member

¹⁹ Corporate Governance Manual, approved by the Board on 30 November 2023

²⁰ Section 8 (b.1) (ii), Article IV, By-Laws

²¹ Section 8 (b.1) (i), Article IV, By-Laws