



## SEC FORM-ACGR (FOR PC/RI)

### ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended: 2023
2. SEC Registration Number: RA 00003844/RA 10374
3. BIR Tax Identification Number: 000-470-349-000
4. Exact Name of the Issuer as specified in its charter: Land Bank of the Philippines
5. Province, Country or other jurisdiction of incorporation or organization: Philippines
6. Address of Principal Office: 1598 M.H. Del Pilar corner Dr. J Quintos Streets, Malate, Manila
7. Postal Code: 1004
8. Issuer's telephone number, including area code: (02) 8522-0000
9. Former name, former address, and former fiscal year, if changed since last report: N/A
10. Industry Classification Code (For SEC's use only) .....

**ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS**

RECOMMENDATION		COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>				
<b>Principle 1. ESTABLISHING A COMPETENT BOARD</b>				
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 growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.				
<b>Recommendation 1.1</b>				
1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please see <b>Annex A</b> titled " <i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i> " detailing the educational background, training/s and work experience/s of each and every LANDBANK Director,  and  <b>Annex B</b> titled " <i>Qualifications of a Directors</i> " as established in the LBP Manual on Corporate Governance which provides for the required competencies, trainings and qualifications of a Director under the Fit and Proper Rule as prescribed by existing applicable laws and regulations.	
2	The Board has an appropriate mix of competence and expertise.	Compliant		
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		
<b>Recommendation 1.2</b>				
1	The Board is headed by a competent and qualified Chairperson.	Compliant	Chairman Benjamin E. Diokno is the current Secretary of the Department of Finance (DOF). Prior to his appointment as fiscal chief, he served as Governor of the Bangko Sentral ng Pilipinas (BSP) from 2019 to 2022. Under his leadership, the Philippine central bank was among the first to respond to the pandemic and deploy decisive measures to cushion the adverse impact of the pandemic and pave the road to recovery. Before taking charge of monetary affairs, he served as Budget Secretary under three Presidents where he pursued an expansionary fiscal policy to finance investments in human capital development and public infrastructure.  Please see profile of Sec. Diokno in the attached document marked as <b>Annex A</b> titled " <i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i> " (on page 1).	
<b>Recommendation 1.3</b>				
1	The company provides a policy on training of directors.	Compliant	Please see LBP Manual on Corporate Governance, on Page 34-35, item J. titled " <i>Trainings and Orientation Programs for Directors</i> " ( <b>Annex O</b> )	
2	The company has an orientation program for first-time directors.	Compliant	<b>Please see Annex O</b> (Item J. titled " <i>Trainings and Orientation Program for Directors</i> "). This shows the need for "continuing" annual training of the BOD members.	
3	The company has relevant annual continuing training for all directors.	Compliant – Appointive Directors		

			<p><b>Please see Annex A</b> (titled “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>”). This shows the trainings/programs undertaken by the BOD.</p> <p>Also, for Directors who are members of the Philippine Bar, their compliance with the Mandatory Continuing Legal Education is relevant.</p>	
<b>Recommendation 1.4</b>				
1	The Board has a policy on board diversity.	Compliant	<p>LANDBANK Charter (RA 3844, as amended by RA 7907 of 1995) prescribes the diverse membership in the Bank’s Board, thus:</p> <ul style="list-style-type: none"> <li>• Secretary of Finance <ul style="list-style-type: none"> <li>- Chairperson (Ex Officio)</li> </ul> </li> <li>• LANDBANK President and CEO <ul style="list-style-type: none"> <li>- Vice- Chairperson</li> </ul> </li> <li>• Secretary of Agrarian Reform <ul style="list-style-type: none"> <li>- Ex Officio Member</li> </ul> </li> <li>• Secretary of Labor and Employment <ul style="list-style-type: none"> <li>- Ex Officio Member</li> </ul> </li> <li>• Secretary of Agriculture <ul style="list-style-type: none"> <li>- Ex Officio Member</li> </ul> </li> <li>• Two members appointed by the President of the Philippines representing Agrarian Reform Beneficiaries</li> <li>• Two members appointed by the President of the Philippines representing the Private Sector</li> </ul>	
<b>Recommendation 1.5</b>				
1	The Board is assisted by a Corporate Secretary.	Compliant	The incumbent LANDBANK Corporate Secretary is Atty. Myra-Lyn S. Peñalosa, who has been a member of the Philippine Bar since 1997. She has a rank of Vice President (VP)/Head of the Office of the Corporate Secretary.	
2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	VP/Atty. Myra-Lyn S. Peñalosa is the Bank’s Corporate Secretary while FVP/Atty Cesar S. Cabañes is the Chief Compliance Officer.	
3	The Corporate Secretary is not a member of the Board of Directors.	Compliant	VP/Atty. Myra-Lyn S. Peñalosa is not a member of the LANDBANK Board. The Bank complies with BSP regulations, particularly with the provision that prohibits Members of the Board of Directors from being appointed as Corporate Secretary or Chief Compliance Officer.	
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	The Corporate Secretary attended a seminar titled “ <i>2019 Revised Corporation Code of the Philippines</i> ” held on June 30, 2023, via Zoom (3.5 hours).	
<b>Recommendation 1.6</b>				
1	The Board is assisted by a Compliance Officer.	Compliant	The Chief Compliance Officer (CCO) advises the Board on relevant laws, rules and standards, including keeping it informed on developments in the area. He also assists the Board in ensuring that a compliance program is defined for the Bank and that compliance issues are resolved expeditiously.	

2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Atty. Cesar S. Cabañes holds a First Vice President (FVP) position which is classified as a senior officer position in LBP.	
3	The Compliance Officer is not a member of the board.	Compliant	FVP/Atty. Cesar S. Cabañes is not a member of the LANDBANK Board.	
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant	FVP/Atty. Cesar S. Cabañes attended a seminar titled “Basic Course on Corporate Governance” held on 15 November 2023 via Zoom (7 hours).	
<b>Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD</b>				
The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company’s articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.				
<b>Recommendation 2.1</b>				
1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	Compliant	Please see <b>Annex C</b> (Items <b>E</b> titled “Powers/Responsibilities and Duties of Directors” and <b>F</b> titled “Other Responsibilities of the Board”). This was extracted from the LBP Manual on Corporate Governance (pages 14-32, items E and F). Enumerated therein are the clear and specific roles, duties and responsibilities of the Directors aimed at ensuring the best interest of the Bank, its shareholders and stakeholders.	
<b>Recommendation 2.2</b>				
1	The Board oversees the development and approval of the company’s business objectives and strategy.	Compliant	The LANDBANK Board approves and monitors the implementation of strategic objectives and in overseeing management’s implementation thereof. Please see <b>Annex C</b> (Page 16, item b (1) to (4) of the LANDBANKs Manual on Corporate Governance.	
2	The Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant		
<b>Recommendation 2.3</b>				
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant (for officers) Not Applicable (for directors)	The minimum internal control mechanism for the LANDBANK Board’s oversight responsibility includes reviewing the Bank’s personnel and human resource policies and sufficiency, xxx, xxx, and management succession plan. This has been laid down in the LBP Manual on Corporate Governance particularly on page 17 (item 4), page 19 (item 3), and page 28 (item 2.d.), thereof (see pertinent pages in Annex C). On the other hand, there is no succession planning program affecting the directors considering that their appointment to the LANDBANK Board is dependent on law or appointing authority. They serve at the pleasure of the President of the Philippines.  Being a government financial institution, all positions in the Bank are governed by a compensation and position classification system approved by the Governance Commission on GOCCs (GCG) based on the qualification standards and a comprehensive job analysis and audit of actual duties and responsibilities (per GOCC Governance Act of 2011).  Charters or By-laws of the Bank to the contrary notwithstanding, the compensation, per diems, allowances and incentives of the Appointive Directors shall be determined by the GCG, using as a reference, among others, Executive Order No. 24, dated February 10, 2011. Nevertheless, directors shall not be entitled to retirement benefits acting as such.	
2	The Board adopts a policy for the retirement of directors and key officers.	Compliant (for officers) Not Applicable (for directors)		

Recommendation 2.4				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Not applicable	Being a government financial institution, all positions in the Bank are governed by a compensation and position classification system approved by the Governance Commission on GOCCs (GCG) based on the qualification standards and a comprehensive job analysis and audit of actual duties and responsibilities ( <i>per GOCC Governance Act of 2011</i> ).	
2	The Board adopts a policy specifying the relationship between remuneration and performance.	Not applicable		
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	Not applicable		Under the LBP Manual on Corporate Governance, on page 34, item I titled " <i>Limits to Compensation, Per Diems, allowances and Incentives</i> " ( <b>Annex O</b> ) which states that:  <i>The Charters or By-laws of the Bank to the contrary notwithstanding, the compensation, per diems, allowances and incentives of the Appointive Directors shall be determined by the GCG, using as a reference, among others, Executive Order No. 24, dated February 10, 2011. Directors shall not be entitled to retirement benefits acting as such.</i>
Recommendation 2.5				
1	The Board has a formal and transparent board nomination and election policy.	Not applicable	Please see attached document marked as <b>Annex D</b> . Although it provides that the President and CEO shall be elected annually by the members of the board from among its ranks, it is the President of the Philippines that issues the appointment letter to the designated President of the GOCC. The said election is a mere formality.  Also, the appointment of the Board of Directors in LANDBANK is in accordance with GCG MC No. 2012-04 entitled "Nomination and Appointment of Appointive Members of the BOD/Trustees of GOCCs, Subsidiaries and Affiliates."  <b>Annex D</b> was extracted from the LBP Manual on Corporate Governance, on pages 6-7, item A, titled "Composition of the Board of Directors"  The members of the LANDBANK Board are appointed by the President of the Republic. The appointment is subject to GCG regulations. (Under Section 15 of Republic Act No. 10149)	
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Not Applicable		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Not Applicable		
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	Not Applicable		
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	Not Applicable		
Recommendation 2.6				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The LANDBANK Board has approved the creation of the Related Party Transactions Committee on 11 April 2016.	

2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>The Bank has an existing Executive Order No. 112, Series of 2019: Guidelines on the Bank's Related Party Transactions which was approved by the Board.</p> <p>In addition, said guidelines is on the process of revision to enhance the policies/guidelines/procedures in handling the Bank's RPTs in view of various audit observations, and to include recent pertinent issuances concerning RPTs.</p> <p>In accordance with said guidelines, the Related Party Transactions Committee evaluates material RPTs to ensure that RPTs are at arm's length basis (the standard under which unrelated parties, each acting in his or her own best interest, would carry out a particular transactions).</p> <p>For the year 2023, the RPT Com and other appropriate approving authorities/committees have vetted and deliberated seven (7) loan transactions, ten (10) procurement transactions, five (5) donations, and four (4) other transactions.</p>	
<b>Recommendation 2.7</b>				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	<p>The LANDBANK Board approves the selection of the CEO and key members of senior management and control functions and oversee their performance. The selection process is deliberated in the CG Com and Board meeting.</p> <p>Also, please see <b>Annex C</b> or Page 16, par. c, item 1 of the LANDBANK's Manual on Corporate Governance. This shows the duties of the Board on appointment/selection of management.</p>	
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	<p>The LANDBANK Board regularly monitors and assesses the performance of the management team and heads of control functions based on approved performance standards.</p> <p>The LANDBANK Board holds members of senior management accountable for their actions and enumerates the possible consequences if those actions are not aligned with the board of directors' performance expectations. These expectations include adherence to the Bank's values, risk appetite and risk culture, under all circumstances.</p> <p>The assessment process is done annually through the Individual Performance Commitment Review for Officers (IPCR-O). This rating scale is based on the Civil Service Commission Memorandum Circular No. 06, series of 2012 that sets the guidelines on the establishment and implementation of the Strategic Performance Management System (SPMS) as mandated in all government agencies, LANDBANK as a GFI is included.</p> <p>Please see <b>Annex C</b> or page 17, item 3 (i) of the LANDBANK's Manual on Corporate Governance.</p> <p>Also, please see <b>Annex E</b> or page 38-39, item 5.1.d of the Charter of the Audit and Compliance Committee (pages 35-41). This shows that one of the responsibilities of the Audit Committee is to review and approve the</p>	

			performance evaluation/appraisal of the Heads of Internal Audit Group (IAG) and Compliance Management Group (CMG).  Further, please see <b>Annex Q</b> or page 96, par. 1 under “Chief Risk Officer” of the LANDBANK’s Manual on Corporate Governance.	
<b>Recommendation 2.8</b>				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management’s performance is on par with the standards set by the Board and Senior Management.	Compliant	The Strategic Performance Management System of the Land Bank of the Philippines (LBP-SPMS) under Administrative Order 072, series of 2018 is the official guidelines for the alignment of performance goals to the organization’s performance scorecard and objectives. It is used to support performance monitoring and address developmental needs adhering to the principles of merit, fitness, and equality among LBP employees. The annual goals and objectives approved and established by the senior management and board are strategically aligned with employees’ individual performance targets and objectives to ensure organizational effectiveness.	
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel’s performance is on par with the standards set by the Board and Senior Management.	Compliant		
<b>Recommendation 2.9</b>				
1	The Board ensures that an appropriate internal control system is in place.	Compliant	The Bank has an adequate, effective and efficient internal control framework. Its systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. Please see <b>Annex E</b> titled “ <i>Audit and Compliance Committee (AC COM)</i> ”. This was extracted from LANDBANK’s Manual on Corporate Governance (pages 35-41, Chapter 3, item A)	
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	Compliant		
3	The Board adopts an Internal Audit Charter.	Compliant		
<b>Recommendation 2.10</b>				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Please see <b>Annex F</b> providing the various information related to LANDBANK’s risk management 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		
<b>Recommendation 2.11</b>				
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	The LANDBANK Charter (R.A. 3844, as last amended by R.A. 10878 provides for the basic roles, responsibilities and accountabilities of the Board. Furthermore, the Bank’s Manual on Corporate Governance elaborates in clear and specific terms all of the Board’s duties and responsibilities. Both are publicly made available.  Please see link for the LANDBANK Charter (R.A. 3844 and R.A. 10878): <a href="https://www.officialgazette.gov.ph/1963/08/08/republic-act-no-3844/">https://www.officialgazette.gov.ph/1963/08/08/republic-act-no-3844/</a>  <a href="https://www.officialgazette.gov.ph/2016/07/17/republic-act-no-10878/">https://www.officialgazette.gov.ph/2016/07/17/republic-act-no-10878/</a>	
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	Compliant		
3	The Board Charter is publicly available.	Compliant		

Principle 3. ESTABLISHING BOARD COMMITTEES			
The 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, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.			
Recommendation 3.1			
1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Please see <b>Annex E</b> providing for a write-up anent the establishment of Board-Level Committees in the Bank. The same was extracted from the LBP Manual of Corporate Governance.</p> <p><b>Annex E</b> contains the following Board-Level Committees:</p> <ul style="list-style-type: none"> <li>A. Audit and Compliance Committee (pages 35-41)</li> <li>B. Risk Oversight Committee (pages 41-51)</li> <li>C. Trust Committee (pages 51-56)</li> <li>D. Corporate Governance Committee (pages 56-58)</li> <li>E. Related Party Transactions (pages 59-62)</li> </ul>
Recommendation 3.2			
1	The 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.	Compliant	Please see <b>Annex E</b> titled "Audit and Compliance Committee (AC Com)". This was likewise extracted from the Bank's Manual on Corporate Governance (pages 35-41)
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	Compliant	<p>The following is the composition of the LANDBANK's ACCom for CY 2023:</p> <p>Chairperson – Dir. David D. Erro  Vice-Chairperson – Dir. Virginia N. Orogo  Member/s – none  All are Independent Directors.</p> <p>The Bank has a limited available pool of directors since there is one (1) vacant position for an Independent Director. Further, there are also limitations for the remaining directors: either they are already chairpersons or member of other board-level committees, or not considered as independent directors.</p> <p>In the meantime, it was deemed necessary to continue the holding of ACCom meetings due to its importance.</p>
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Relevant background, knowledge, skills, and/or experience of each of the directors are taken into account in their membership to a certain committee in the Bank. For the Bank, their individual skills set and profile fit the sector they respectively represent. Thus, the diversity in membership in its Board. Moreover, the members undergo continuing education relevant to the functions of the Committee.</p> <p>Please see <b>Annex A</b> titled "Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies", particularly:</p> <p>Dir. David D. Erro – page 14  Dir. Virginia N. Orogo – pages 11-13</p>



4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	Compliant	The LANDBANK Chairperson is Sec. Benjamin E. Diokno effective June 30, 2022.  The Audit Committee is Chaired by Dir. David D. Erro. Dir. Erro does not sit as Chairperson of other Board-level Committee.	
<b>Recommendation 3.3</b>				
1	The 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.	Compliant	Please see <b>Annex E</b> titled “ <i>Corporate Governance Committee (CG Com)</i> ”. This was extracted from the Bank’s Manual on Corporate Governance (pages 56-58, item D)	
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	Compliant	The following is the composition of the LANDBANK’s CGCom for CY 2023:  Chairperson – Dir. Nancy D. Irlanda Vice-Chairperson – Dir. David D. Erro Member – Dir. Virginia N. Orogo  All members are Independent Directors.  Please see <b>Annex A</b> titled “ <i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i> ”, particularly:  Dir. Nancy D. Irlanda - pages 8-10 Dir. David D. Erro – page 14 Dir. Virginia N. Orogo – pages 11-13	
<b>Recommendation 3.4</b>				
1	The 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	Please see <b>Annex E</b> titled “ <i>Risk Oversight Committee (Risk Com)</i> ” This was extracted from the Bank’s Manual on Corporate Governance (pages 41-51, item B)	
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	Compliant	The following is the composition of the LANDBANK’s RiskCom for CY 2023: Chairperson – Dir. Virginia N. Orogo Vice-Chairperson – DOF Sec. Benjamin E. Diokno (Primary Alternate: Treasurer Rosalia V. De Leon, Secondary Alternate: DTOP Erwin D. Sta. Ana) Member – Francisco P. Tiu Laurel, Jr. (Primary Alternate: Usec. Mercedita A. Sombilla) Member – Dir. Nancy D. Irlanda  2 Members are Independent Directors.  Please see <b>Annex A</b> titled “ <i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i> ”, particularly:  Dir. Virginia N. Orogo – pages 11-13 DOF Sec. Benjamin E. Diokno – page 1 Francisco P. Tiu Laurel, Jr. – page 5 Dir. Nancy D. Irlanda – pages 8-10	

3	At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>All three (3) members of the Risk Committee undergo continuing education relevant to the functions of said Committee. The seminars/trainings continuously attended by the members are, in fact, not just relevant to risk management but also to regulatory and banking issues.</p> <p>For example, hereunder the trainings/seminars attended by Dir. Nancy Irlanda, member of the Risk Committee:</p> <p>1) Philippine Banks: Strategic Direction and Regulatory Agenda, Capital Planning and Risk Management;  2) Finance Business Restructuring During and After a Crisis; and  3) Addressing the Risks in Mergers and Acquisitions.</p> <p>Please see attached document marked as <b>Annex A</b> titled “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>”</p>	
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**Recommendation 3.5**

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	<p>Please see attached document marked as <b>Annex E</b>. This was extracted from LANDBANKs Manual on Corporate Governance (pages 35-62, Chapter 3 titled “<i>Board Level Committees</i>”)</p> <p>Annex E contains the following Board-Level Committees:</p> <p>A. Audit and Compliance Committee (pages 35-41)  B. Risk Oversight Committee (pages 41-51)  C. Trust Committee (pages 51-56)  D. Corporate Governance Committee (pages 56-58)  E. Related Party Transactions (pages 59-62)</p>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant		

**Principle 4. FOSTERING COMMITMENT**

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/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Please see <b>Annex G</b> titled “<i>Director’s Attendance at Board and Board-Level Committee Meetings (CY 2023)</i>”.</p> <p>See <b>Annex C</b>, on page 34, par. H, item 4, which states that “The meetings of the board of directors may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein: <i>Provided</i>, That every member of the board shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all board meetings every year: <i>Provided, further</i>, That the absence of a director in more than fifty percent (50%) of all regular and special meetings of the board of</p>	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant		

			<p>directors during his/her incumbency is ground for disqualification in the succeeding election: <i>Provided furthermore</i>, That the twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies, public health emergencies, and major disasters, among others, that affect mobility, activity, and access to the Bank. “</p> <p>To ensure that the Directors are able to review the meeting materials for deliberation, materials for the Board meeting are sent to the members of the Board at least three (3) business days before the Board meeting. Materials for Board–Level Committees are also given ahead of time.</p>	
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>The Directors are expected to attend and actively participate in board and committee meetings, request and review meeting materials, ask questions, and request explanations as evidenced by the minutes of meetings and list of duties/obligations of the directors.</p> <p>Please see Annex C, Page 24, par. 3, items d and e of the LANDBANK’s Manual on Corporate Governance.</p> <p>Moreover, since the 2<sup>nd</sup> quarter of 2020, members of the board are requested to submit an individual Board Action Sheet, which contains the director’s queries, comments, requests for clarification and initial vote, before every Board meeting. This is sent to presenters for their replies. This is a pre-meeting requirement that serves to make the actual board meeting brief but comprehensive.</p>	
<b>Recommendation 4.2</b>				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	Compliant	<p>Please see <b>Annex H</b> (Chapter 5) titled “<i>Interlocking Directorship and/or Officership</i>” (<i>lifted from BSP Circular No. 1129, series of 2021 re: Amendments to Corporate Governance Guidelines for BSP-Supervised Financial Institutions</i>)</p> <p>Also, please see <b>Annex A</b> titled “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>”</p> <p>The following are non-executive directors:</p> <ul style="list-style-type: none"> <li>a. Benjamin E. Diokno (page 1)</li> <li>b. Conrado M. Estrella III (pages 2)</li> <li>c. Bienvenido E. Laguesma (page 3-4)</li> <li>d. Francisco P. Tiu Laurel Jr. (page 5)</li> <li>e. Nancy D. Irlanda (pages 8-10)</li> <li>f. Virginia N. Orogo (pages 11-13)</li> <li>g. Atty. David D. Erro (page 14)</li> </ul>	
<b>Recommendation 4.3</b>				
1	The Directors notify the company’s board before accepting a directorship in another company.	Compliant	<p>Under Sec. 132 of the MORB, and on page 74, item c (<b>Annex H</b>) of the LBP Manual on Corporate Governance, it is a requirement to obtain approval from the board of directors or the appropriate authority designated in the Bank prior to acceptance of interlocking directorship/officership positions in other entities.</p>	

Note: The MORB is an authoritative codification of regulations governing banks (Landbank included) which are all under the supervision of the BSP. It methodically and logically organizes the BSP rules and policy issuances that implement the broader provisions of RA 8791, also known as the General Banking Law of 2000, as well as other pertinent banking laws. Per force, Landbank is bound by MORB provisions which are technically and automatically adopted as the Bank's own internal rules/policies.

**Principle 5. REINFORCING BOARD INDEPENDENCE**

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

**Recommendation 5.1**

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	Compliant	<p>The majority of non-executive directors possesses the necessary qualifications as shown in <b>Annex A</b> titled "Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies"</p> <p>The following are non-executive directors:</p> <ul style="list-style-type: none"> <li>a. Benjamin E. Diokno (page 1)</li> <li>b. Conrado M. Estrella III (pages 2)</li> <li>c. Bienvenido E. Laguesma (page 3-4)</li> <li>d. Francisco P. Tiu Laurel Jr. (page 5)</li> <li>e. Nancy D. Irlanda (pages 8-10)</li> <li>f. Virginia N. Orogo (pages 11-13)</li> <li>g. Atty. David D. Erro (page 14)</li> </ul>
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**Recommendation 5.2**

1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	Complaint	<p>3 out of the 8 members (37.5%) of the LANDBANK Board are Independent Directors, namely:</p> <ul style="list-style-type: none"> <li>a. Dir. Nancy D. Irlanda</li> <li>b. Dir. Virginia N. Orogo</li> <li>c. Dir. David D. Erro</li> </ul>
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**Recommendation 5.3**

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	The directors are required to submit to BSP a Certification under oath that he/she possesses all the qualifications and none of the disqualifications to become a director.
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**Recommendation 5.4**

1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	Compliant	An independent director of the Bank may only serve as such for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the same Bank, but may continue to serve as regular director. The nine (9) year maximum cumulative term for independent directors shall be reckoned from 2012. This was likewise clearly expressed on page 33, last paragraph of item G ( <b>Annex C</b> ) in the LBP Manual on Corporate Governance.
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2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	Not Applicable	No Independent Director in LANDBANK has served for more than nine (9) years.  This was likewise clearly expressed on <b>Annex D</b> , page 7, par. 3 in the LBP Manual on Corporate Governance, which states that:  "An independent director may only serve as such for a maximum cumulative term of nine (9) years."	
<b>Recommendation 5.5</b>				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Compliant	The Chairman of the Board is Sec. Benjamin E. Diokno, Secretary of the Department of Finance, while the President and CEO is Lynette V. Ortiz, who is also the Vice-Chairperson.	
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	Compliant	Please see <b>Annex C</b> – Specific Duties and Responsibilities of the Chairperson of the Board of Directors (pages 26-27, number 13 of the LBP Manual on Corporate Governance)  and  <b>Annex I</b> , titled "Duties and Powers of the President and CEO" (pages 62-64, item A of the LBP Manual on Corporate Governance)	
<b>Recommendation 5.6</b>				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Not Applicable	The LANDBANK President and CEO acts as Vice-Chairperson and Presiding Officer in the absence of the Chairman of the Board.	
<b>Recommendation 5.7</b>				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	Compliant	Abstention or recusal from the deliberations on matters posing conflict of interests situations has been exercised by certain LANDBANK Directors for few agenda items in CY 2023 board meetings. Reasons for which were duly disclosed in the Board. These were properly minuted/recorded.  Moreover, LANDBANK directors are well informed about policies of the Bank which are in place such as DOSRI Rules and RPT Guidelines	
<b>Recommendation 5.8</b>				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	Compliant	Excluding the President & CEO, the non-executive Directors and the Heads of Internal Audit Group, Risk Management Group, Compliance Management Group and the Resident COA Representative were able to meet separately on 22 December 2023, in compliance with the BSP and GCG requirements.	
2	The meetings are chaired by the lead independent director, if applicable.	Not Applicable	Meetings are presided over by the Chairperson or Vice-Chairperson.  (Details of the meetings cannot be divulged due to confidentiality/subject to LBP EO 78, s. of 2022 re: Revised Guidelines on Management of Information Assets)	

Principle 6. ASSESSING BOARD PERFORMANCE				
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	The Board conducts an annual self-assessment of its performance as a whole.	Compliant	Please see attached document marked as <b>Annex J</b> titled "Performance Assessment Program for the Board of Directors and Board-level Committees" and "Evaluation: Board of Directors"	
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant	Please see attached document marked as <b>Annex K</b> titled "Evaluation: Individual Directors"	
3	The individual members conduct a self-assessment of their performance.	Compliant		
4	Each committee conducts a self-assessment of its performance.	Compliant	Please see attached document marked as <b>Annex L</b> containing the performance evaluation of the following committees: <ul style="list-style-type: none"> <li>a. Audit and Compliance Committee</li> <li>b. Corporate Governance Committee</li> <li>c. Risk Oversight Committee</li> <li>d. Related Party Transactions Committee</li> <li>e. Trust Committee</li> </ul>	
Recommendation 6.2				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	Compliant	Please see attached document marked as <b>Annex M</b>	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	and Feedback mechanism from the shareholders/members is captured in the PRS Evaluation for the Board of Directors. (See <b>Annex J</b> , particularly questions nos. 5 and 6 under Item II, Board Structure Checklist)	
Principle 7. STRENGTHENING BOARD ETHICS				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
Recommendation 7.1				
1	The 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 board members.	Compliant	Please see link posted under the LBP website (slides 31-37): <a href="https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf">https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf</a>	

2	The Code is properly disseminated to the members of Board.	Compliant	The Bank disseminates the copies of the Code of Conduct to the Board every January of each year for their information and signature.  <i>Please see link posted under the LBP website (slides31-37):</i> <a href="https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf">https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf</a>	
3	The Code is disclosed and made available to the public through the company website.	Compliant	<i>Please see link posted under the LBP website (slides 31-37):</i> <a href="https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf">https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf</a>	
<b>Recommendation 7.2</b>				
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All members of the Board signs the Code of Conduct Compliance Certificate on an annual basis to remind them of their commitment to Good Governance.  <i>Please see link posted under the LBP website (slide 37):</i> <a href="https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf">https://www.landbank.com/public/upload/files/2024-05-29-Code-of-Conduct-Handbook-2023-R2.pdf</a>	
<b>DISCLOSURE AND TRANSPARENCY</b>				
<b>Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES</b>				
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.				
<b>Recommendation 8.1</b>				
1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<i>Please see link posted under the Bank's website:</i> <a href="https://www.LANDBANK.com/disclosures">https://www.LANDBANK.com/disclosures</a> <a href="https://www.LANDBANK.com/transparency-seal">https://www.LANDBANK.com/transparency-seal</a>	
<b>Recommendation 8.2</b>				
1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Not Applicable	The Bank is wholly-owned by the National Government	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	Not Applicable		
<b>Recommendation 8.3</b>				
1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<i>Please see link posted under the Bank's website:</i> <a href="https://www.landbank.com/public/upload/files/Manual%20on%20Corporate%20Governance%20March%202023.pdf">https://www.landbank.com/public/upload/files/Manual%20on%20Corporate%20Governance%20March%202023.pdf</a>	
2	The company's MCG is submitted to the SEC.	Compliant	<i>Please see Annex N (acknowledgement receipt of the submission of the LBP Manual on Corporate Governance via e-mail from SEC-ICTD)</i>	
3	The company's MCG is posted on the company website.	Compliant		

Recommendation 8.4			
1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).		<p>The LANDBANK ACGR is posted in the Bank's website.</p> <p><a href="https://www.landbank.com/images/inner_template/1688105944_LBP%20a%20ccomplished%20ACGR%20PY%202022%20notarized.pdf">https://www.landbank.com/images/inner_template/1688105944_LBP%20a%20ccomplished%20ACGR%20PY%202022%20notarized.pdf</a></p> <p>Please see <b>Annex P</b> (acknowledgement receipt of the submission of the CY 2022 ACGR via e-mail from SEC-ICTD)</p>
2	The company's ACGR is submitted to the SEC.		
3	The company's ACGR is posted on the company website.		

**Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY**

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	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	Not Applicable	<p>The Commission on Audit (COA) is the constitutionally-mandated External Auditor of LBP as well as other government agencies. As such, the Audit and Compliance Committee of LBP has no power or authority on the appointment/removal of the external auditor.</p> <p><b>Under Section 2 (1) of the 1987 Constitution</b>, the Commission on Audit shall have the power, authority, and duty to examine, audit, and settle all accounts pertaining to the revenue and receipts of, and expenditures or uses of funds and property, owned or held in trust by, or pertaining to, the Government, or any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations with original charters, and on a post-audit basis: (a) constitutional bodies, commissions and offices that have been granted fiscal autonomy under this Constitution; (b) autonomous state colleges and universities; (c) other government-owned or controlled corporations and their subsidiaries; and (d) such non-governmental entities receiving subsidy or equity, directly or indirectly, from or through the Government, which are required by law or the granting institution to submit to such audit as a condition of subsidy or equity.</p>
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.		
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.		



Recommendation 9.2			
1	The Audit Committee Charter includes the Audit Committee's responsibility on:  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.	i. Not Applicable  ii. Not Applicable  iii. Compliant	For items i. and ii:  The Commission on Audit (COA) is the External Auditor of LBP as well as other government agencies. As such, the Audit and Compliance Committee of LBP no longer performs the appointment/ removal of the external auditor.  For item iii:  Please see attached document marked as <b>Annex E</b> , particularly on page 40, under the Audit and Compliance Committee (AC Com).  This is included as part of the Audit and Compliance Committee's specific responsibilities in the functional supervision over the Internal Audit Group specifically items 5.2.d. and 5.2.j. of the AC Com Charter.
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please see attached document marked as <b>Annex E</b>  <b>Annex E</b> was extracted from LANDBANK's Manual on Corporate Governance, on page 38, under the Audit and Compliance Committee (AC Com). More particularly, included as part of Audit and Compliance Committee's Responsibilities/Functions specifically items 5.b. and 5.g.
Recommendation 9.3			
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	Not Applicable	As confirmed with the COA Supervising Auditor, COA does not provide non-audit services for LBP.
2	The 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.	Not Applicable	
Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING			
The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.			
Recommendation 10.1			
1	The Board has a clear and focused strategy on the disclosure of non-financial information.	Compliant	Please see link under the Bank's website: <a href="https://www.landbank.com/public/upload/files/2023-01-24%202023%20Performance%20Scorecard.pdf">https://www.landbank.com/public/upload/files/2023-01-24%202023%20Performance%20Scorecard.pdf</a>

2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.		Please see link under the Bank's Transparency Seal: <a href="https://www.landbank.com/public/upload/files/SFF-2023_REVISED_16Feb2024_v2.pdf">https://www.landbank.com/public/upload/files/SFF-2023_REVISED_16Feb2024_v2.pdf</a>	
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**Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION**

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	Compliant	<a href="https://www.landbank.com/">https://www.landbank.com/</a> <i>and</i> <a href="https://www.landbank.com/transparency-seal">https://www.landbank.com/transparency-seal</a>	
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**INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS**

**Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**

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 system.

**Recommendation 12.1**

1	The company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>LBP has a robust culture when it comes to awareness on internal control measures and procedures. It has established policies and procedures in the conduct of its business. These are documented thru Executive Orders, Manual of Operations, various issuances, and advisories which are made available throughout the organization. The Bank also has its own Code of Conduct for its employees and Board of Directors to provide guidance in conducting themselves in a manner that will merit and inspire public trust and confidence consistent with the Bank's core values and principles.</p> <p>Internal audit as a strategic function, aids in ensuring good governance, and sound risk management and strong internal control in LBP. The internal audit function, thru the Internal Audit Group (IAG), functionally reports to the Audit and Compliance Committee, a Board level committee, which shall assist the Board of Directors in fulfilling its oversight responsibilities specifically for internal audit and internal control</p> <p>To oversee Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework;</p> <p>To ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding of assets; and</p>	
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			<p>To oversee the internal audit function</p> <p>IAG, in compliance with Audit Standard 1300, has its own Quality Assurance and Improvement Program designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing and an evaluation of whether internal auditors apply the Code of Ethics. This program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. This includes both internal and external assessments.</p>	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Please see attached document marked as <b>Annex F</b>.</p> <p>This contains various Risk Management related information.</p>	
<b>Recommendation 12.2</b>				
1	The 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	<p>LBP has its own internal audit function thru the Internal Audit Group (IAG). The IAG plays a key role in assisting the Board, thru the Audit and Compliance Committee, in the discharge of its corporate governance responsibilities by performing an independent and objective evaluation/assessment of management controls and operations performance, including technology risk management process and IT controls; and by determining of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations. It involves the appraisal of the plan of organization and all the coordinated methods and measures, in order to recommend courses of action on matters relating to operations and management controls. Moreover, in compliance with International Standards, internal auditors also add value to LANDBANK's operation by evaluating the risk management, compliance and governance processes of the Bank.</p>	
<b>CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS</b>				
<b>Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS</b>				
The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
<b>Recommendation 13.1</b>				
1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>Please see link under the Bank's website:  <a href="https://www.landbank.com/public/upload/files/Manual%20on%20Corporate%20Governance%20March%202023.pdf">https://www.landbank.com/public/upload/files/Manual%20on%20Corporate%20Governance%20March%202023.pdf</a></p> <p>Please see <b>Annex C</b> titled "Powers/Responsibilities and Duties of Directors", par. pages 15 (item 2) , 19 (item v) and 24 (item c)</p>	

Recommendation 13.2			
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	Not Applicable	LANDBANK is wholly owned by the National Government. The members of the Board already represent the National Government since its members are appointed by the President of the Republic.
Recommendation 13.3			
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	Not Applicable	The Bank does not hold an Annual/Special Stockholders' Meeting. It is wholly-owned by the National Government.
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	Not Applicable	The Bank does not hold an Annual/Special Stockholders' Meeting. It is wholly-owned by the National Government.
Recommendation 13.4			
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Not Applicable	The Bank is a government financial institution wholly owned by the National Government.
Recommendation 13.5			
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	Compliant	The Bank has a Corporate Information Officer to ensure that concerns of customers are addressed.  VP Sandra May C. Daraman Corporate Information Officer Tel. No. 8405-7382 <a href="mailto:SCDARAMAN@LANDBANK.com">SCDARAMAN@LANDBANK.com</a>
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	Not Applicable	LANDBANK does not have shareholder's meeting. The Bank only conducts its regular Board meeting (twice a month) and special meeting (as the need arises) wherein the presence of its Corporate Information Officer is not required.
DUTIES TO STAKEHOLDERS			
Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS			
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	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Please see link under the Bank's website: <a href="https://www.landbank.com/public/upload/files/2023-01-24%202023%20Performance%20Scorecard.pdf">https://www.landbank.com/public/upload/files/2023-01-24%202023%20Performance%20Scorecard.pdf</a>

**Recommendation 14.2**

1	<p>The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.</p>	<p>Compliant</p>	<p>LBP establishes the following policies and programs:</p> <ol style="list-style-type: none"> <li>1. Manual on Financial Consumer Protection</li> <li>2. Policy on Ease of Doing Business (EoDB)</li> <li>3. People's Freedom of Information Manual</li> </ol> <p>The fair treatment, protection and enforcement of the rights of stakeholders are within the Bank's Citizens Charter.</p> <p>Please see link under the Bank's website:  <a href="https://www.LANDBANK.com/citizens-charter">https://www.LANDBANK.com/citizens-charter</a></p> <ol style="list-style-type: none"> <li>4. Guidelines on LANDBANK's Customer Assistance Management"</li> <li>5. Guidelines on the Implementation of Satisfaction Measurement Instrument for LANDBANK Experience Survey (SMILES)</li> </ol> <p>Furthermore, the Landbank's Customer Care Department (CuCD) hotline (8405-7000) is operational 24/7. This is in line with the Bank's continuing efforts to comply with the Financial Consumer Protection Circular of the Bangko Sentral ng Pilipinas, specifically in its requirement for a consumer assistance management system.</p> <p>Please see link under the Bank's website:  <a href="https://www.landbank.com/customer-care-center">https://www.landbank.com/customer-care-center</a></p> <p>The Customer Care Department (CuCD) under the Corporate Affairs Group (CAG), oversees and manages the LANDBANK Consumer Assistance Management System (CAMS). Through the CAMS, the Bank aims to further enhance and strengthen its thrust in providing excellent customer service through the proper handling of inquiries, concerns, requests, or complaints as well as the continuous improvement in service delivery. To efficiently implement CAMS, CuCD:</p> <ol style="list-style-type: none"> <li>a. Receives, acknowledges, documents, and provides feedback to customer inquiries and complaints received from various internal and external channels, such as LANDBANK Customer Care hotline and email, BSP Consumer Affairs, 8888 Citizens' Complaint Hotline, etc.</li> <li>b. Consolidates all complaints reports received from all customer touch points which include CuCD, Branches, Lending Centers, social media, and other customer-facing units of the Bank.</li> <li>c. Provides analysis of the complaints data with resolutions and recommendations for presentation to the Bank's Management Committee.</li> </ol>	
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**Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION**

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

**Recommendation 15.1**

1	The 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	<p><b>Executive Order No. 083, series of 2015: Guidelines on Awards and Incentives for Service Excellence (PRAISE)</b></p> <p>The Guidelines on Awards and Incentives for Service Excellence (PRAISE) is a modified reward system to encourage LBP personnel, individually or in groups to increase their level of engagement in achieving the Bank's objectives by contributing valuable suggestions, innovative ideas, inventions, discoveries and superior performance of duties or major accomplishments that help the Bank fulfill its mandate.</p> <p>Currently, LANDBANK is implementing the following awards under PRAISE:</p> <p>LBP Awards for Individual Excellence:</p> <ul style="list-style-type: none"> <li>• Perfect Attendance Award</li> <li>• Professional Award</li> <li>• Loyalty Award</li> </ul> <p>LBP Awards for Group Excellence</p> <ul style="list-style-type: none"> <li>• Branch Banking Awards</li> <li>• NDLS Awards of Excellence for Lending Units</li> <li>• OS Awards of Excellence for Accounting Units</li> <li>• Audit Achiever's Award</li> <li>• Award for Institutional Achievement</li> <li>• Search for Pusong Bayaning LANDBANKER</li> </ul> <p><b>EO No. 113, series of 2020: Guidelines on the Grant of Performance Based Bonus</b></p> <p>The Guidelines on the Grant of Performance Based Bonus aim to cover the criteria/mechanics on the application of PBB and the grant/distribution of PBB to eligible employees following the rules and regulations of GCG's memorandum circulars regarding PBB.</p>	
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**Recommendation 15.2**

1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	Compliant	<p>LANDBANK has the following existing guidelines:</p> <ol style="list-style-type: none"> <li>1. LBP EO No. 031, dated March 15, 2016, LANDBANK Anti-Bribery and Anti-Graft and Corruption Policy</li> <li>2. Code of Conduct (COC) for LANDBANK Employees.</li> </ol> <p>In line with the principle that a public office is a public trust, the Land Bank of the Philippines (LANDBANK), being a government financial institution,</p>	
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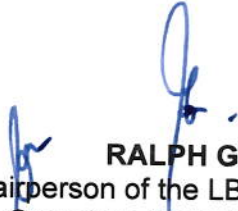
			<p>advocates zero tolerance for corruption by repressing certain acts which constitute bribery, graft and corrupt practices, or any act which may lead thereto, committed by its officers and employees.</p> <p>LANDBANK has since instituted a strong culture of corporate governance, where commitment to service entails carrying out its responsibilities with the highest regard of accountability, transparency and fairness.</p> <p>Also, the Bank has institutionalized and has implemented the Code of Conduct for LANDBANK Employees which provides them guidance in conducting themselves in a manner that will merit and inspire public trust and confidence, consistent with the Bank's commitment to uphold the highest standards of ethics and excellence.</p> <p>The Bank also ensures the implementation of the following laws, rules, and regulations on ant-bribery, graft and corruption:</p> <ul style="list-style-type: none"> <li>• Republic Act No. 3019, <i>Anti-Graft and Corrupt Practices Act</i></li> <li>• Republic Act No. 6713, <i>An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and for Other Purposes</i></li> <li>• Republic Act No. 9485, <i>An Act to Improve Efficiency in the Delivery of Government service to the Public by Reducing Bureaucratic Red Tape Preventing Graft and Corruption, and Providing Penalties Therefor</i></li> <li>• Title VII, Book 2 of the <i>Revised Penal Code</i></li> <li>• Sec. 46, Chapter 7, Book V of Executive Order No. 292, <i>Administrative Code of 1987</i></li> <li>• CSC Resolution No. 060538, dated April 4, 2006, <i>Rules on Administrative Offense of Dishonesty</i></li> <li>• CSC Resolution No. 1701077, promulgated on July 3, 2017, <i>2017 Rules on Administrative Cases in the Civil Service (2017 RACCS)</i></li> <li>• Others</li> </ul>	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>The Bank offers the following training programs to its personnel to raise awareness of the Bank's anti-corruption policy and program, which are incorporated in its Code of Business Conduct and Ethics and institutionalized through internal policies and guidelines. These programs aim to encourage employees to promptly report any violations they become aware of and equip them with the knowledge needed to resist and prevent unethical actions and illegal business practices:</p> <ul style="list-style-type: none"> <li>• LANDBANK in Perspective (LIP) – As part of the Bank's employee onboarding program, all regular employees undergo an orientation program tailored to familiarize them with our organizational culture and values. This program includes modules on the Bank's Code of Conduct, which covers discussions on topics such as Graft and Corruption, and on Administrative Disciplinary Cases, which includes discussions on the</li> </ul>	

			<p>rules/guidelines concerning public servants, the consequences/sanctions once those rules were violated, and their rights as public servants.</p> <ul style="list-style-type: none"> <li>• Anti-Corruption Laws – a supplemental module for Leadership Development Program, which aims to educate and raise awareness to government officials/employees on the anti-corruption laws as well as the consequences for their violations, focusing on RA 3019 or the Anti-Graft and Corrupt Practices Act</li> <li>• Corporate Governance Program (CG) – a training program for LBP Officers occupying PG 14 and up and Board of Directors (BODs) and/or newly-appointed BODs, which aims to provide them heightened insight and deeper understanding of their role and importance in GOOD CORPORATE GOVERNANCE. This covers discussion on corporate governance, GCG Regulatory Framework and relevant laws for GOCCs.</li> </ul>	
<b>Recommendation 15.3</b>				
1	The 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	<p>LANDBANK has the following existing guidelines:</p> <ol style="list-style-type: none"> <li>1. LBP EO No. 43, s. 2010, Guidelines on Internal Whistleblowing and Reporting, as amended by LBP Administrative Order No. 141, s. 2018</li> <li>2. LBP EO No. 064, s. 2012, Guidelines on the Implementation of the Ethics Hotline</li> </ol> <p>The Bank's internal guidelines on Whistleblowing and Reporting enables any concerned employee or individual to report and provide information, anonymously if he/she wishes, and even testify on matters involving the actions or omissions of LANDBANK Board of Directors and employees, that are illegal, unethical, violate good governance principles, are against public policy and morals, promote unsound and unhealthy business practices, and are grossly disadvantageous to the Bank and/or the Government.</p>	
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>The Bank's Whistleblowing guidelines include a provision on "Protected Disclosure" wherein whistleblowers shall be entitled to assistance as well as protection from retaliatory actions, such as but not limited to discriminatory action, reprimand, punitive transfer, undue poor performance reviews, ostracism, public humiliation, etc. In cases involving grave threats to life and/or safety of the whistleblower, appropriate or necessary action may be taken by the Bank Management for the protection and support of the whistleblower.</p> <p>Any concerned individual who shall report and provide information on any reportable condition may use any of the following reporting channels:</p> <ul style="list-style-type: none"> <li>• GCG's whistleblowing web portal</li> </ul>	

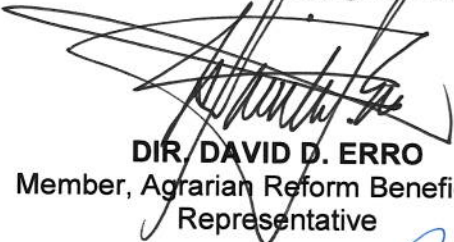



			<ul style="list-style-type: none"> <li>• Face to face meetings with GCG officers/employees, LANDBANK General Counsel, Heads of the Human Resource Management Group and Employee Relations Department</li> <li>• Telephone (GCG &amp; LANDBANK)</li> <li>• Ethics Hotline</li> <li>• Email, Mail and Fax</li> </ul> <p>The Ethics hotline, which is handled by Employees Relation Department, is an added medium for whistleblowers to report instances of graft and corruption. Other reporting channels are also available for concerned individuals/employees to report or provide information such as online-based platforms, email, mail, fax and other similar media. While there were received reports/complaints, none of which was within the scope of or pertinent to the Bank's whistleblowing policy.</p>	
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>The ERD submits to the President and CEO an annual report on all complaints received through the Bank's Ethics Hotline, including those received through other means.</p> <p>The ERD also submits to the Accountability Assessment Committee an annual Whistleblowing report.</p> <p>As a government financial institution built upon the trust of all its stakeholders, LANDBANK ensures that ethical behavior is applied within its operations and supply chain following established mechanisms, internal and regulatory, in the reporting and monitoring of unethical or unlawful acts in the workplace.</p>	
<b>Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY</b>				
The company should be socially responsible in all its dealings with the communities in which 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.				
<b>Recommendation 16.1</b>				
1	The 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><i>Please see link under the Bank's website:</i>  <a href="https://www.landbank.com/csr-programs/csr-statement">https://www.landbank.com/csr-programs/csr-statement</a></p>	

We, as required by the Securities and Exchange Commission (SEC) under its Memorandum Circular (MC) No. 13, Series of 2021, have accordingly signed this Annual Corporate Governance Report (ACGR) on JUN 28 2024.


  
**RALPH G. RECTO**  
Chairperson of the LBP Board of Directors  
Secretary, Department of Finance


  
**MA. LYNETTE V. ORTIZ**  
Acting President and CEO/Vice Chairperson

  
**DIR. DAVID D. ERRO**  
Member, Agrarian Reform Beneficiaries  
Representative

  
**DIR. VIRGINIA N. OROGO**  
Acting Member, Agrarian Reform  
Beneficiaries Representative

  
**DIR. NANCY D. IRLANDA**  
Member, Private Sector Representative

  
**ATTY. CESAR S. CABAÑES**  
Chief Compliance Officer  
First Vice President,  
Compliance Management Group


  
**ATTY. MYRA LYN S. PENALOSA**  
Corporate Secretary  
Vice President

1 JUN 28 2024

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_  
2024, Affiants exhibited to me their respective Government issued IDs bearing their  
photo:

Name	Type of Government ID	To Expire on
RALPH G. RECTO Chairperson	Passport No. P6120260A	February 20, 2028
MA. LYNETTE V. ORTIZ Acting President & CEO/Vice Chairperson	Passport No. P8129636B	November 8, 2031
DAVID D. ERRO Member	IBP Lifetime Member No. 48284	No Expiration
VIRGINIA N. OROGO Acting Member	Passport No. P6192143A	March 8, 2028
NANCY D. IRLANDA Member	Passport No. P2317026A	July 21, 2029
ATTY. CESAR S. CABAÑES FVP/Chief Compliance Officer	Passport No. P9905902B	May 3, 2032
ATTY. MYRA-LYN S. PEÑALOSA VP/Corporate Secretary	IBP Lifetime Member No. 02611	No Expiration

Doc. No. 272  
Page No. 56  
Book No. I  
Series of 2024

  
**ATTY. IRISH RUTH LALUAN VILLANUEVA**  
Commission No. 2024-092 until 31 December 2025  
Notary Public for and in the City of Manila  
LandBank Plaza, 1598 M.H. Del Pilar cor. Dr. J. Quintos Sts.,  
Brgy. 699, District V, Makate, Manila  
Roll No. 83142, 06/06/22; IBP OR No. 421718, 15/01/24  
MCLE Compliance No. VIII-0003663, 07/09/23 until 14/04/28  
PTR No. MLA 1569701, City of Manila, 22/01/2024

## RELEVANT QUALIFICATIONS AND EXPERIENCES INCLUDING DIRECTORSHIP AND OFFICERSHIP IN OTHER COMPANIES

### Benjamin E. Diokno

Ex-Officio Chairman

Secretary, Department of Finance

**Age:** 75

**Nationality:** Filipino

#### **Educational Background:**

Post-Graduate : *Doctor of Philosophy, Economics*

Syracuse University, 1981

*Master of Arts, Political Economy*

John Hopskin University, 1976

*Master of Arts, Economics*

University of the Philippines, 1974

*Master of Arts, Public Administration*

University of the Philippines, 1974

College : *Bachelor of Arts, Public Administration*

University of the Philippines, 1968

Present Position – Government	Position	Date Assumed
Department of Finance	Secretary	2022
Land Bank of the Philippines	Chairman	2022

Past Position – Government	Position	From	To
Bangko Sentral ng Pilipinas	Governor	2019	2022
Department of Budget and Management	Secretary	2016	2019

**Conrado M. Estrella III**

Ex-Officio Member

Secretary, Department of Agrarian Reform

**Age:** 63**Nationality:** Filipino**Educational Background:**

College : *Bachelor of Arts, History – Political Science*  
De La Salle University, 1984

Present Position – Government	Position	Date Assumed
Department of Agrarian Reform	Secretary	2022
Land Bank of the Philippines	Ex-Officio Director	2022

Past Position – Government	Position	From	To
House of Representatives	Congressman	2013	2022
House of Representatives	Congressman	2001	2010
National Electrification Administration	Administrator	1998	2000
Manila Economic and Cultural Office	Director	1995	1998
House of Representatives	Congressman	1987	1995
Provincial Board Member, Pangasinan	Chairman	1980	1985

Past Position – Other Private Institutions	Position	From	To
Magiliw Corporation	Corporate Secretary	1984	1987
Rural Bank of Rosales	Treasurer	1984	1987

**Bienvenido E. Laguesma**

Ex-Officio Member

Secretary, Department of Labor and Employment

**Age:** 73**Nationality:** Filipino**Educational Background:**

Passed the CY 1975 Bar Examination and became a Lawyer on March 30, 1976

Post-Graduate : *Public Sector Administration*

Royal Institute of Public Administration London, 1985

*Career Executive Service*

Development Academy of the Philippines

*Bachelor of Laws*

Ateneo De Manila College of Law, 1975

College : *Bachelor of Arts, Political Science*

Lyceum of the Philippines, 1971

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Environmental Social Governance	Institute of Corporate Directors	2022
AML and Cyber Security Seminar	PBCOM	2021
High Level Webinar on AML/Counter-Terrorist Financing	BAIPHIL	2021
Enhancing Audit Committee Effectiveness and Sustainability Reporting	COSCO Capital, Inc.	2019
Corporate Governance	SGV and Co.	2018
Annual Corporate Governance Enhance on "Cyber Security in the 21 <sup>st</sup> Century"	PHILEX Mining Corp.	2016
AML Seminar	BAIPHIL	2015
Corporate Governance for Philippine Banks	BAIPHIL	2005

Present Position – Government	Position	Date Assumed
Department of Labor and Employment	Secretary	2022
Land Bank of the Philippines	Ex-officio Director	2022
Social Security System	Ex-officio Director	2022
Employees Compensation Commission	Chairman	2022
Governing Board Occupational Safety and Health Center	Chairperson	2022
National Wages and Productivity Commission	Chairperson	2022
Technical Education and Skills Development Authority	Chairperson	2022
PAGIBIG Fund Board of Trustees	Member	2022
Overseas Workers Welfare Administration Board of Trustees	Member	2022
Civil Aviation Authority of the Philippines Board of Directors	Principal Board Member	2022
PhilHealth Board	Member	2022

## ANNEX A

Past Position – Government	Position	From	To
Social Security Commission	Commissioner	2011	2016
Department of Labor and Employment	Secretary	1998	2001
Department of Labor and Employment	Undersecretary	1990	1996
Office of the President	Presidential Assistant	1996	1998
NCMB	Administrator	1987	1989
Department of Labor and Employment	Regional Director	1982	1986
Department of Labor and Employment	Assistant Regional Director	1981	1982
NLRC	Executive Labor Arbiter RAB III	1979	1980
NLRC	Labor Arbiter	1979	1979
Department of Labor and Employment	Med-Arbiter	1976	1979

**Francisco P. Tiu Laurel Jr.**

Ex-Officio Member

Secretary, Department of Agriculture

*Assumed Position on November 5, 2023***Age:** 56**Nationality:** Filipino**Educational Background:**

College : *Computer Science (Undergraduate),  
Stamdford, Singapore, 1988*

Present Position – Government	Position	Date Assumed
Department of Agriculture	Secretary	2023

Past Position – Other Private Institutions	Position	From	To
Newport Fishing Corporation	Consultant	2020	2023
Sandiwa 85 Cold Storage Corp.	President	2019	2023
Caraga A1 Hydro Power Corp.	Chairman / President	2018	2023
Caraga A2 Hydro Power Corp.	Chairman / President	2018	2023
Agusan Power Corporation	Chairman / President	2018	2023
Philippine Hybrid Energy Systems Inc.	President	2018	2023
Bacoor Seafront Dev't. Corp.	President	2017	2023
Tarawa Shipyard Company Limited	Director	2017	2023
Dupinga Mini Hydro Corporation	Chairman / President	2016	2023
Bukidnon Hydro Energy Corp.	Chairman / President	2016	2023
Lingod Hydropower Corporation	Chairman / President	2016	2023
5F Cold Storage Corporation	President	2016	2023
FPG Limited Subic Corporation	President	2016	2023
Bacoor RF Land	Vice President	2015	2023
Myed Nikkel Resources Corp.	President	2014	2023
Markham Resources Corporation	President	2014	2023
Akian Food Processing Corp.	Director	2012	2023
Cencon Packaging Limited	Director	2010	2023
Frabelle Corporation	Director	2010	2023
Westpac Meat Processing Corp.	Chairman	2009	2023
Majestic Seafoods Corporation	Vice Chairman	2009	2023
Frabelle Shipyard Corporation	President	2009	2023
Signal Marine Shipyard Corp.	Chairman	2007	2023
Frabelle Market Corporation	Chairman	1997	2023
Diamond Export Corporation	Chairman	1995	2023
Frabelle Properties Corporation	Director	1994	2023
Frabelle PNG Ltd.	Director	1990	2023
Frabelle Cold Storage Corp.	President	1990	2023
Frabelle Fishing Corporation	President	1985	2023



**Lynette V. Ortiz**

Vice Chairperson

President and Chief Executive Officer

*Assumed Position on May 24, 2023***Age:** 60**Nationality:** Filipino**Educational Background:**

Post Graduate : **MBA Finance & Investments,**  
City University of New York, Baruch College, 1989

College : **BA Economics,**  
University of the Philippines, Diliman, 1984

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Updates on Anti-Money Laundering Act	Anti-Money Laundering Council	2023
Financial Literacy Sessions for OFW	Philippine Embassy in Rome, Italy	2023
Basic Course on Corporate Governance	Bankers Institute of the Philippines	2023
2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	Land Bank of the Philippines	2023
Make It Real Leadership	Standard Chartered Bank	2018
Leadership Course – Insead Singapore	Standard Chartered Bank	2014
Leadership Across Boundaries, Oxford UK	Standard Chartered Bank	2012

Present Position – Government	Position	Date Assumed
Overseas Filipino Bank	Chairperson	2023
Philippine Crop Insurance Corporation	Member	2023
National Food Authority	Member	2023
DTI Center for International Trade Expositions and Missions (CITEM)	Member	2023
Maharlika Investment Corporation	Director	2023

## ANNEX A

Past Position – Other Private Institutions	Position	From	To
Standard Chartered Bank Philippines	CEO and Head of Client Coverage	2016	2023
Standard Chartered Bank Philippines	Country Head Corporate & Institutional Banking	2016	2016
Standard Chartered Bank Singapore	Managing Director, Regional Head of Capital Markets, ASEAN	2015	2016
Standard Chartered Bank Philippines	Managing Director, Head of Financial Markets/Head of Capital Markets	2011	2015
Citicorp Capital Philippines, Inc.	President/Director	2009	2011
The Hongkong & Shanghai Banking Corporation Limited, Philippines	Senior Vice President and Head of Debt Capital Markets, Global Capital Markets	2006	2009
BDO Capital & Investment Corporation/BDO Private Bank	First Vice President, Debt Capital Markets and Corporate Finance	2002	2006
Banco Santander Philippines	Vice President, Country Risk Management Group Head	1996	2002
Bank of the Philippine Islands	Vice President, Risk Management Division Head, Treasury	1995	1996
Citibank, N.A. Manila, Citibank Global Asset Management	Assistant Vice President, Product Development/Credit & Portfolio Administration Unit Head	1994	1995
Citibank, N.A. New York, Latin America Consumer Bank	Assistant Vice President, Treasury Risk Manager, Group Information Officer	1990	1993
Citicorp Information Services, Quotron, New York	Assistant Manager	1989	1990
Baruch College/Columbia University	Graduate Research Assistant	1987	1988
Cates Consulting Analyst, New York	Junior Analyst	1986	1987
Citibank, N.A. Manila	Account Officer, Consumer Services Group	1984	1985

**Nancy D. Irlanda**

Representative, Private Sector

**Age:** 54**Nationality:** Filipino**Educational Background:**

College : **BS Economics,**  
 University of the Philippines, Diliman, 1991  
*Dean's Medal and Best Thesis*  
*(co-author, published in the 1991 Philippine Review of*  
*Economics and Business)*

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Updates on Anti-Money Laundering Act	Anti-Money Laundering Council	2023
Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	Land Bank of the Philippines	2023
Technology Governance for Directors	Institute of Corporate Directors, Inc.	2023
Future-Proof your Business/An AUDCOM x CEO x CAE Forum	The Institute of Internal Auditors Philippines/ Institute of Corporate Directors	2023
Webinar on the Overview of Environmental and Social Risk Management System (ESRM) System	Land Bank of the Philippines	2022
Anti-Money Laundering/Countering the Financing of Terrorism	Anti-Money Laundering Council	2022
Governing with Analytics: Building a Predictive Enterprise	Institute of Corporate Directors	2021
Trade Finance Overview	Land Bank of the Philippines	2021
Updating on Anti-Money Laundering Act Webinar	Anti-Money Laundering Council	2021
LBP Head Office Procurement Procedures	Land Bank of the Philippines	2021
Building Better Bankers: Fostering a Stronger KYE Program	Association of Bank Compliance, Officers, Inc. (ABCOMP)	2021
Anti-Money Laundering Act – Updates on Amendments	AMLC Secretariat	2020
The Basic Policy Process Five-Day Certificate Program (Awarded Best Group Paper)	Development Academy of the Philippines (DAP)	2020
The Future of Finance: The Blockchain and Digital Assets	Disini Law	2020
The Business of Influencer Marketing	Disini Law	2020
Reimagining Business (Three-Part Series)	Internet and Mobile Marketing Association of the Philippines	2020
Data Governance: Privacy and Security	Disini Law	2020

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Electronic Evidence and the New Rules on Evidence	Disini Law	2020
Revised Corporation Code	Ateneo Law Alumni Association, Inc.	2020
Digital Transformation Necessary in the New Normal	Institute of Corporate Directors	2020
Building Business Resilience in the Corporate Strategy	Institute of Corporate Directors	2020
Finance Business Restructuring During and After a Crisis	Institute of Corporate Directors	2020
Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Workshop	Anti-Money Laundering Council Secretariat	2019
Overview on Reports and Processes of Internal Audit Group	Land Bank of the Philippines	2019
Philippine Banks: Strategic Direction and Regulatory Agenda, Capital Planning and Risk Management	Land Bank of the Philippines featuring Christian G. Lauron, Partner, SGV	2019
Disaster Resiliency	Land Bank of the Philippines featuring Dr. Teofredo T. Esguerra, Disaster and Crisis Specialist	2019
Overview on Reports and Processes of Compliance Management Group	Land Bank of the Philippines	2019
Treasury Products and Operations	Land Bank of the Philippines	2019
Harnessing the Full Potential of Cooperatives	Land Bank of the Philippines featuring Lecira V. Juarez, Managing Director, APRACA- CENTRAB	2019
Global Sustainable Finance Conference Karlsruhe, Germany	European Organisation for Sustainable Development (EOSD)	2019
Philippine OpenGov Leadership Forum - Building a Digital Native Philippines	OpenGov	2019
Fiduciary Essentials for Investment Stewards	Asia Pacific Association for Fiduciary Studies	2018
Corporate Governance Orientation Program	Institute of Corporate Directors	2018
Finance for Directors	Institute of Corporate Directors	2018
Corporate Governance for Government-Owned and Controlled Corporations (GOCC's)	Institute of Corporate Directors	2018
BSP Philippine Economic Briefing	Bangko Sentral ng Pilipinas	2018
Addressing the Risks in Mergers and Acquisitions	AIG/AON	2018
IMMAP Digital Congress (Moderator)	Internet Mobile Marketing Association of the Philippines	2016
BSP Philippine Economic Briefing (Moderator)	Bangko Sentral ng Pilipinas	2007
MAP International CEO Conference (Moderator)	Management Association of the Philippines	2006
SEIPI CEO Forum (Moderator)	Semiconductor and Electronics Industries in the Philippines, Inc.	2003

## ANNEX A

BSP CEO Forum (Moderator)	Bangko Sentral ng Pilipinas	2002
10th APEC Summit Los Cabos, Mexico	Asia-Pacific Economic Cooperation	2002
The Professional Citibanker Development Program	Citibank	1993
Service Excellence I/II	Citibank	1993
Citiselling Workshop	Citibank	1993

Present Position-Government	Position	Date Assumed
Land Bank of the Philippines	Acting Member, Board of Directors/ Private Sector Representative	2023

Past Position-Government	Position	Date Assumed
Land Bank of the Philippines	Member, Board of Directors/ Private Sector Representative	2018

Past Position-Other Private Institutions	Position	From	To
Petron Corporation	Consultant	2017	2020
ABS CBN News Channel (ANC)	News Anchor	2015	2017
Solar News Channel (currently CNN Philippines)	News Anchor	2011	2014
ABS CBN Broadcasting Corporation/ANC	News Anchor/Executive Producer	1996	2010
Fisher Broadcasting Corporation KOMO TV-4 (Seattle, Washington)	TV Associate Producer for Special Projects	1995	1996
Citibank	Customer Relationship Manager	1993	1994
Irlanda Industries, Inc.	Special Assistant to the President	1991	1993

**Virginia N. Orogo**

Representative, Agrarian Reform Beneficiaries

*Assumed Position on February 23, 2023***Age:** 67**Nationality:** Filipino**Educational Background:**

Post Graduate : **Diploma in Social Work,**  
University of the Philippines, 1986

College : **BS Social Work,**  
La Concordia College, 1984

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Updates on Anti-Money Laundering Act	Anti-Money Laundering Council	2023
2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	Land Bank of the Philippines	2023
Corporate Governance Orientation Program (CGOP)	Institute of Corporate Directors, Inc.	2023
CGOP for Government-Owned and Controlled Corporations (GOCCs)	Institute of Corporate Directors, Inc.	2023
Computerized Title Distribution Under the Support to Parcelization of Lands for Individual Titling (SPLIT)	World Bank/LRA	2022
Orientation Training on Project SPLIT	Foreign Assisted And Special Project – Project SPLIT By World Bank	2022
Harmonized Gender and Development Guidelines (HDDG)	Philippine Commission on Women	2021
Orientation Cum Training Workshop on Preparation and Generation of Emancipation Patent (EP) Certificate of Landownership and Award (CLOA) Titles	DAR SPLIT Project / BARMM	2021
Compliance Check and Data Protection Standards	Yisrael Solutions and Training Center, Inc.	2021
Pantawid Pamilyang Filipino (4Ps) Orientation Seminar	Department of Social Welfare and Development (DSWD)	2018
World Bank Philippine Poverty Assessment	DSWD – World Bank	2018
Modified Conditional Cash Transfer Program Technical Monitoring Training Conference	DSWD	2018
Sustainable Livelihood Seminar	DSWD	2018
Global Ageing and Human Rights of Older Persons ASEAN Conference on Ageing	DSWD	2018
Head of the Philippine Delegation to the UN Convention on the Rights of Persons With Disability (UNCRPD) Revalida the Paper on: National Council on Disability Affairs and the 1992 Magna Carta for Persons with Disability	DSWD	2018
Development Education for Community	Japanese Foreign Ministry	Page 11 of 201

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Organizers in the Philippines, Guest Speaker to the Development Education Seminar in Japan		
Community Organizing and the People Power Movement, National Convention of Rural People of South Africa	People's Movement of South Africa	1998
Basic Occupational Safety and Health Course	Basic Occupational Safety and Health Course	2000
Conference on Ecotourism	PRRM	1999
Tourism Projects in Rural Areas "Tourism as A Tool to Development"	NEDA/Israel Development Cooperation	1998
Development Management Course	Asian Institute of Management	1997
Social Entrepreneurship and Enterprise Development (SEED)	Asian Institute of Management	1996
Developmental Marketing & Alternative Trading for Non-Governmental Organizations	Netherlands Organization for International Development Cooperation (NOVIB) Development Academy of the Philippines (DAP)	1996
Basic NGO Management	PRRM /Asian Institute of Management, Philippines	1990
Seminar-Workshop for Community-Based Health Services	PRRM /UP College of Medicine	1987
Regional Seminar on Recent Experiences and Future Possibilities of NGO Management	Asian NGO Coalition for Agrarian Reform And Rural Development	1986
Basic Management of Community Credit Project Seminar	Philippine Business for Social Progress (PBSP)	1985
Basic Technical Assistance Training	Philippine Business for Social Progress (PBSP)	1985
Seminar-Workshop on Nutrition and Health Communication	Communication Foundation for Asia & Nutrition Foundation of the Philippines	1980

Present Position – Government	Position	Date Assumed
Land Bank of the Philippines	Member, Board of Directors/Agrarian Reform Beneficiaries Representative	2023

Past Position – Government	Position	From	To
Department of Agrarian Reform	Undersecretary	2019	2022
Department of Social Welfare and Development	Acting Secretary	2016	2018
Department of Social Welfare and Development	Undersecretary	2016	2018
Inter-Country Adoption Board Inc.	Alternate Chair to the Board	2016	2018
Inter-Agency Council Against Trafficking	Vice-Chair to the Board	2016	2018
Palayan City Water District	Consultant	2008	2009

Past Position – Private Institution	Position	From	To
Akarui Technical School Foundation	Managing Directress	2010	2016
Achievers Professional Cyber School	Managing Directress	2009	2010
Institute for Governance and Development, Inc.	Founder/Executive Director	2005	2013

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Canadian Council for Refugees	Facilitator	2003	2004
Solano Habitat for Humanity, California USA	Grant Writer	2002	2003
Philippine American Friendship Committee of New Jersey USA	Volunteer Facilitator	2002	2003
ABS-CBN Foundation Inc.	Consultant/Grant Writer	1998	2000
Philippine Rural Reconstruction Movement, Inc. (PRRM) Eco Development Tourism Program	Program Manager	1996	1998
PRRM	Administrative and Finance Manager	1995	1996
PRRM Program Fund Management	Special Assistant to the President	1991	1995
Sustainable Rural Development	Branch Manager PRRM Nueva Vizcaya	1991	1995
Sustainable Rural Development	Branch Manager PRRM Bataan	1991	1998
College of Social Work and Development, Inc. – University of the Philippines UNDP Nutrition Program and Development	Researcher/Evaluator	1987	1988
Philippine Rural Reconstruction Movement, Inc. (PRRM)	Ecodevelopment Program Officer	1986	2001
Caritas Manila	Trainer/Consultant	1986	1987
Sta. Maria Dela Strada Parish Church	Livelihood Officer	1985	1986
National Council for Social Development (Formerly Council for Social Welfare Agencies of the Philippines)	Program Officer	1985	1986
Philippine Agency for Community & Family, Inc. (Maryknoll Sisters)	Community Organizer Cum Social Worker	1979	1984



**Atty. David D. Erro**

Representative, Agrarian Reform Beneficiaries

*Assumed Position on February 27, 2023***Age:** 56**Nationality:** Filipino**Educational Background:**

Passed the CY 2002 Bar Examination and became a Lawyer on March 4, 2003

Post Graduate : **Bachelor of Laws,**  
Far Eastern University, 2000  
**Bachelor of Laws,**  
San Beda College of Law, 1992

College : **A.B. Political Science,**  
University of the Philippines, Manila, 1991

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Corporate Governance Orientation Program (CGOP)	Institute of Corporate Directors, Inc.	2023
CGOP for Government-Owned and Controlled Corporations (GOCCs)	Institute of Corporate Directors, Inc.	2023
2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	Land Bank of the Philippines	2023
MCLE Program for the 8th Compliance Period	OGCC-PAGCLAW	2023

Present Position – Government	Position	Date Assumed
Land Bank of the Philippines	Member, Board of Directors/Agrarian Reform Beneficiaries Representative	2023

Past Position – Government	Position	From	To
Land Bank of the Philippines	Acting Member, Board of Directors/Agrarian Reform Beneficiaries Representative	2023	2023
Department of Agrarian Reform	Undersecretary	2016	2022

Past Position – Private Institution	Position	From	To
Erro Pahilga Law Office	Founding Partner	2002	2016

**Cecilia C. Borromeo**

Vice Chairperson

President and Chief Executive Officer

*Term Ended on May 23, 2023***Age:** 64**Nationality:** Filipino**Educational Background:**

- Post Graduate : **International Study on Rural Banking and Finance,**  
University of Washington Executive Education Foster, 2014  
**Advance Bank Management Program,**  
Asian Institute of Management, 1995  
**Master of Business Administration (without Thesis),**  
De la Salle Business School, 1982
- College : **Bachelor of Science, Agribusiness,**  
University of the Philippines, 1979
- Others : **Pacific Rim Bankers Program,**  
University of Washington Executive Education Foster, 2015

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
46th ADFIAP Annual Meetings	ADFIAP	2023
7 <sup>th</sup> World Congress on Rural and Agriculture Finance	FIRA/ALIDE/AFRACA	2022
Updates On Anti-Money Laundering Act	Land Bank of the Philippines	2022
Updating On Anti-Money Laundering Act	Anti-Money Laundering Council Secretariat	2021
Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Lecture	Anti-Money Laundering Council Secretariat	2020
Updates on Anti-Money Laundering Act	Land Bank of the Philippines (w/AMLAC Speakers)	2019
Corporate Governance Orientation Program	Institute of Corporate Directors	2019
Good Governance Forum	Development Bank of the Philippines	2019
Orientation on the Enhanced Corporate Governance Guide-lines for the Board of Directors	Development Bank of the Philippines	2018
Technology for Inclusion Conference	Asian Development Bank	2018
DBP Women's Luncheon Forum	Development Bank of the Philippines	2018
Tax Reform Acceleration and Inclusion (TRAIN) Law Briefing	SGV and Co.	2018
Omnibus Rules on OHRA & RRACCS	Development Bank of the Philippines	2018
Pre-Board Retreat	Development Bank of the Philippines	2017
Corporate Governance Orientation for Board of Directors	Development Bank of the Philippines	2017
Updates on Anti-Money Laundering for Senior Officers	Development Bank of the Philippines	2017

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Good Governance Forum	Development Bank of the Philippines	2017
Global Sustainable Finance Conference	European Organization for Sustainable Development	2017
Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors	2017
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	2016
Global Methane Forum	The World Bank	2015
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	2015
Pacific Rim Bankers Program	University of Washington	2015
Int'l Exposure Visit Program on Agri Finance	Japan Finance Corporation	2014
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	2014
Public Corporate Governance	DAP	2014
Carbon Partnership Facility Annual Meeting	The World Bank	2014
Carbon Partnership Facility Seller Training	The World Bank	2014
Study Visit Program on Rural Banking and Finance	Massey University	2014
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	2013
Carbon Partnership Facility Annual Meeting	The World Bank	2013
Conflict Sensitive Lending to LGUs-Basic	Land Bank of the Philippines	2012
ICAAP & Pricing & Risk Measurement Model	Land Bank of the Philippines	2012
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	2011
Risk Management Program for LBP Subsidiaries BODS	Land Bank of the Philippines	2011
Exec Workshop on Managing Credit Enhance		2011
15th Annual Financial Agents Workshop	The World Bank	2011
6th SEACEN/ABAC/ABA/PECC Public-Private Dialogue for the Asia Pacific Region	SEACEN/ABAC/ABA/PECC	2010
The Leaders as Environment Steward 5 <sup>th</sup> Annual Investment Summit		2010
Culture Transformation Leadership Workshop		2010
5th Annual Investment Summit	Finance Asia	2010
4th Philippine Housing Finance Forum		2010
26th ABA General Meeting and Conference	Asian Bankers' Association	2009
13th Annual Financial Agents Workshop	The World Bank	2009
Derivatives: Mechanics, Valuation, Accounting and Risk	SGV & Co.	2009
Trust Banking Operations		2009
Corporate Governance/Dev't of Rating System	Institute of Corporate Directors	2008
Treasury Risk Management Seminar, Part II	Land Bank of the Philippines	2008
Course on Banking Laws, Cases and Issues	Land Bank of the Philippines	2008
Treasury Risk Management Seminar, Part I	Land Bank of the Philippines	2008
Entrepreneurship & Innovation in a Complex World	Asian Institute of Management	2008
Risk based Internal Audit Approach Roadshow	Land Bank of the Philippines	2008
FINEX General Membership Meeting	Financial Executives Institute of the Philippines	2006

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Stress Management Workshop	Land Bank of the Philippines	2005
Computer Associates World Conference		2005
Negotiation Skills Enhancement & Team Building	Land Bank of the Philippines	2005
CES Learning & Nurturing Program	Land Bank of the Philippines	2004
Fort: 4 Roles of Leadership		2004
Environmental Management System Awareness Training	Land Bank of the Philippines	2004
Fort: 7 Habits of Highly Effective People	Land Bank of the Philippines	2004
Asia Pacific Bankers Congress		2004
Sem/Dialogue on Anti-Money Laundering	Land Bank of the Philippines	2003
Corporate Governance Course		2002
Leading from Higher Ground		2002
New Beginnings Leadership Essentials	Land Bank of the Philippines	2002
Study Tour for LBP DBP LGUGC Top Executives		2002
Local Government Unit Credit Financing	Land Bank of the Philippines	2002
Modified Performance Management Program	Land Bank of the Philippines	2000
Local Government Code Review		1999
Training Visit to Tokyo Japan		1998
LBP Directors representative To CFIs Board	Land Bank of the Philippines	1998
Accountancy Week Celebration		1998
Credit Rating Corporate Analysis	Credit Information Bureau, Inc.	1996
Effective Meeting Management Training Program	Land Bank of the Philippines	1995
Unified System Project Seminar	Land Bank of the Philippines	1995
How to Assist Small & Medium Enterprise	Economic Cooperation Development Fund, Taiwan	1995
Urban Mass Housing & Project Development	Land Bank of the Philippines	1994
Mortgage Financing Program Seminar	Land Bank of the Philippines	1994
World Bank Single Currency Loan	The World Bank	1994
How to Manage Problem Loans Training Course	Euro Money Institute	1993
New Performance Appraisal System Seminar	Land Bank of the Philippines	1992
Core Credit Program	Land Bank of the Philippines	1992
Advance Supervisory Program	Land Bank of the Philippines	1992
Leadership Development Workshop	No record	1991
Expanded Export Financing Seminar	Bangko Sentral ng Pilipinas	1991
Foreign Exchange & Money Market Course	Ateneo- BAP Institute	1990
Applied Bank Credit Management Course	Asian Institute Resources	1990
Values Formation Seminar		1989
Strategic Scanning on Agribus Opportunity		1989

Position – Government	Position	Date Assumed
Land Bank of the Philippines	President and CEO	2019
LBP Leasing and Finance Corporation	Chairman	2019

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Position – Other Private Institutions	Position	Date Assumed
Philippine Payments Management, Inc.	Director	2022
Philippine Life Financial Assurance Corporation	Director	2022
Overseas Filipino Bank, Inc.	Chairman	2019
Bancnet	Director	2019
Bankers Association of the Philippines	Director	2019

Past Position – This Institution	Position	From	To
Agricultural and Development Lending Sector	Executive Vice President	2009	2017
Institutional Banking & Subsidiaries Sector	Senior Vice President	2005	2009
Global Banking Department	Senior Vice President	2005	2008
Account Management Group	Senior Vice President	2005	2008
Account Management Group	First Vice President	2002	2005
Credit Policy and Supervision Group	First Vice President	2000	2002
Local Government Financial Services Department	First Vice President	1999	2000
Domestic Banking Group	Vice President	1997	1999
Commercial Credit Management Department	Vice President	1994	1998
Commercial Credit Management Department	Assistant Vice President	1992	1993
Financial Institutions Department	Account Officer	1990	1991
Program Management Department	Project Assistant	1989	1989

Past Position – Government	Position	From	To
Development Bank of the Philippines	President and CEO	2017	2019
DBP Leasing Corporation	Director	2017	2018
LANDBANK Leasing and Finance Corporation	Director	1996	2016
LANDBANK Countryside Development Foundation Inc.	Director	2009	2016
Department of Trade and Industry	Trade and Industry Specialist	1988	1989
KKK National Secretariat	Unit Head	1983	1987
Human Settlements Dev't Corp.	Dev't Mgt. Officer	1981	1982
Ministry of Human Settlement	Settlements Assistant	1980	1981

Past Position – Other Private Institutions	Position	From	To
United Coconut Planters Bank	Chairman	2021	2022
Philippine Securities Settlements Corporation	Director	2020	2021
Philippine Depository & Trust Corporation	Director	2020	2021
Philippine Dealing Exchange	Director	2020	2021
Philippine Dealing System Holdings	Director	2020	2021
LGU Guarantee Corporation	Director	2017	2019
DBP-Daiwa Capital Markets Philippines, Inc.	Director (Chairperson)	2016	2019
Bankers Association of the Philippines	Director	2018	2019

**Atty. Jaime L. Miralles**

Representative, Agrarian Reform Beneficiaries

Term Ended on February 26, 2023

**Age:** 73**Nationality:** Filipino**Educational Background:**

Passed the CY 1980 Bar Examination and became a Lawyer on May 10, 1980

Post-Graduate : *Bachelor of Laws*

University of the East, 1979

College : *Bachelor of Arts, Political Science*

University of the East, 1974

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Webinar on the Overview of Environmental and Social Risk Management System	Land Bank of the Philippines	2022
Updating on Anti-Money Laundering Act	Anti-Money Laundering Secretariat	2022
Mandatory Continuing Legal Education	Alternative Center for Continuing Education and Seminar Solutions, Inc. (ACCESS)	2022
Trade Finance Overview Webinar	Land Bank of the Philippines	2021
Updating on Anti-Money Laundering Act Webinar	Anti-Money Laundering Secretariat	2021
Building Better Bankers: Fostering a Stronger KYE Program	Association of Bank Compliance Officer, Inc. (ABCOMP)	2021
Updates on Anti-Money Laundering Act	AMLC Secretariat	2020
National Food Security Summit	Department of Agriculture	2019
Anti-Money Laundering/Countering the Financing of Terrorism(AML/CFT) Training Workshop	Anti-Money Laundering Council Secretariat	2019
Related Party Transactions	Bankers Institute of the Philippines, Inc. (BAIPHIL)	2019
Philippine Banks: Strategic Directions and Regulatory Agenda, Capital Planning and Risk Management	Land Bank of the Philippines	2019
Disaster Resiliency	Land Bank of the Philippines	2019
Treasury Products and Operations	Land Bank of the Philippines	2019
Harnessing the Full Potential of the Cooperatives	Land Bank of the Philippines	2019
Corporate Governance Orientation Program	Institute of Corporate Directors	2018
Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors	2018
Professional Directors Program	Institute of Corporate Directors	2011
Corporate Governance Orientation Program	Institute of Corporate Directors	2011

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Past Position-Government	Position	From	To
Land Bank of the Philippines	Member, Board of Directors/ Agrarian Reform Beneficiaries	2018	2023
Home Development Mutual Fund (Pag-IBIG Fund)	Board of Trustees	2010	2018
National Anti-Poverty Commission	Commissioner – representing Labor Sector	1998	1999

Present Position-Other Private Institutions	Position	Date Assumed
Labor Power Movement	Lead Convenor	2014
Association of Genuine Labor Organization	National President	2006

Past Position-Other Private Institutions	Position	From	To
Association of Genuine Labor Organizations	Vice President-Legal Affairs Department	2002	2006
Flores – Miralles & Associates	Senior Partner	2000	2012
National Anti-Poverty Commission (NAPC)	Commissioner	1998	2001
Progressive Labor Advocate for Nationalism	Director	1996	2000
Sectoral Representative of the Workers to the Phil. Congress	Nominee	1992	1992
Kilusang Mayo Uno (KMU)	Secretary for Finance and National Executive	1980	2002
Banzuela-Flores Law Office	Senior Partner	1983	2000
Banzuela-Reneses	Senior Partner	1979	2000
Banzuela-Flores Law Office	Junior Partner	1979	1982

**Virgilio DV. Robes**

Representative, Agrarian Reform Beneficiaries

Term Ended on February 26, 2023

**Age:** 76**Nationality:** Filipino**Educational Background:**

College Undergraduate. (The ARB Representative does not require a college degree but must be a member of the Sector.)

**Training in Banking and Other Related Fields:**

Nature/Title	Conducted by	Year taken
Anti-Money Laundering/Countering the Financing of Terrorism(AML/CFT) Training	Land Bank of the Philippines	2022
ABCOMP GMM	Land Bank of the Philippines	2022
Trade Finance Overview	Land Bank of the Philippines	2021
Updating on Anti-Money Laundering Act Webinar	Land Bank of the Philippines and Anti-Money Laundering Council (AMLC)	2021
LBP Head Office Procurement Procedures	Land Bank of the Philippines	2021
AML/CFT/CPF (BSP Cir. No. 1022) for Directors & Senior Management (For CY 2020)	Bankers Institute of the Philippines, Inc.	2021
Updates on Anti-Money Laundering Act	Land Bank of the Philippines (w/AMLAC Speakers)	2019
LANDBANK Planning Conference	Land Bank of the Philippines	2019
Joint Audit & Compliance Committee and Risk Oversight Committee Learning Session	Land Bank of the Philippines	2018
BSP Cir. No. 706 as Amended by BSP Cir. No. 950, AMLA Law and the AML Risk Rating System for Board of Directors and Sr. Management	Bankers Institute of the Philippines, Inc.	2018
Corporate Financial Risk Management Program	Ateneo Graduate School of Business – Center for Continuing Education	2017
Finance for Directors Program	Institute of Corporate Directors	2017
Corporate Governance Orientation Program	Institute of Corporate Directors	2017
Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors	2017

Past Position-Government	Position	From	To
Land Bank of the Philippines	Member, Board of Directors/ Agrarian Reform Beneficiaries	2017	2023
Province of Bulacan	OIC - Vice Governor	1987	1988
Province of Bulacan	Provincial Consultant	1988	1990



Present Position-Other Private Institutions	Position	Date Assumed
Robesland, Inc.	Chairman	2005
Igay Mega Cockpit, Inc.	Director	2000
Guillermo C. Robes Realty Corp.	Director	1996
Real Estate Broker		1970

Past Position-Other Private Institutions	Position	From	To
Robes Trading	Proprietor	1970	1980

**C. QUALIFICATIONS OF A DIRECTOR**

1. No person shall be elected or appointed director of the Bank unless he/she is a natural born citizen of the Philippines, not less than thirty-five (35) years of age, of good moral character and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, agriculture, agrarian reform, business management. Provided further, that no Director, stakeholder or employee of any other bank shall be eligible for election or appointment as member of the Board of Directors of the Bank.
  
2. An ex-officio member must be least a college graduate or have at least five (5) years experience in business. For an appointive director, he/she must have a college degree with at least five (5) years relevant work experience, except for a sectoral representative who only needs to be a *bona fide* member of the indicated sector of the association being represented as provided for in the Charter or By-Laws. An appointive director must possess management skills and competence preferably relating to the operations of the Bank.<sup>2</sup>

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<sup>1</sup> GCG MC No. 2012-07

<sup>2</sup> *Ibid.*

3. He/She must have attended a special seminar on corporate governance for Board of Directors conducted or accredited by the BSP.<sup>1</sup>

Provided, That the following persons are exempted from complying with the aforementioned requirement:

- (a) Filipino citizens with recognized stature, influence and reputation in the banking community, including directors of publicly listed companies in the Philippines, and whose business practices stand as testimonies to good corporate governance. In this respect, the BSP shall consider results of supervisory assessments in evaluating the eligibility of the candidate for the exemption;
- (b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies. For this purpose, senior officials in the BSP shall refer to those who assumed Managing Director position or higher; or
- (c) Former Chief Justices and Associate Justices of the Philippine Supreme Court:

Provided, further, That this exemption shall not apply to the annual training requirements for the members.

4. An appointive director must have attended or will attend within three (3) months from the date of appointment, a special seminar on public corporate governance for Directors conducted by the GCG or any individual or entity accredited by the GCG.<sup>2</sup>
5. He/She shall be equipped with adequate technical training on payments and/or appropriate work experience to be able to understand payment system operations, financial markets, and payment-related risks, and be updated on digital platforms.<sup>3</sup>
6. He/She must be fit and proper for the position of a Director of the Bank. In determining whether a position is fit and proper for the position of a Director, the following matters must be considered:
  - integrity/probity;
  - physical/mental fitness;
  - competence;
  - relevant education/financial literacy/training;

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<sup>1</sup> BSP MORB

<sup>2</sup> GCG MC No. 2012-05

<sup>3</sup> BSP Circular 1127, S. 2021

- diligence;
- knowledge/experience;
- independence of mind;
- sufficiency of time to fully carry out responsibilities; and
- concurrent positions in the same BSP-Supervised Financial Institution (BSFI) and interlocking positions in other entities that may pose conflict of interest.

Members of the board of directors shall not be appointed as Corporate Secretary or Chief Compliance Officer.

All members of the LANDBANK Board, including the President and CEO and its other officers, including Appointive Directors in Subsidiaries and Affiliates shall be qualified by the Fit and Proper Rule issued by the Governance Commission for GOCCs (GCG) approved by the President of the Philippines, including any future amendments and revisions thereof.

The foregoing qualifications for Directors shall be in addition to those required or prescribed under R.A. No. 8791 and other existing applicable laws and regulations.

## **E. POWERS/RESPONSIBILITIES AND DUTIES OF DIRECTORS<sup>2</sup>**

1. *Powers of the board of directors.* The corporate powers of the Bank shall be exercised, its business conducted and all its property controlled and held, by its Board of Directors. The powers of the Board of Directors as conferred by law are original and cannot be revoked by the stockholders. The directors hold their office charged with the duty to exercise sound and objective judgment for the best interest of the Bank.

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<sup>2</sup> BSP Circular Nos. 969, S.2017 and 1129, S.2021

2. *Specific duties and responsibilities of the board of directors:*

The board of directors is primarily responsible for defining the Bank's vision and mission. The board of directors has the fiduciary responsibility to the Bank and all its shareholders including minority shareholders. It shall approve and oversee the implementation of strategies to achieve corporate objectives. It shall also approve and oversee the implementation of the risk governance framework and the systems of checks and balances. It shall establish a sound corporate governance framework. The board of directors shall approve the selection of the CEO and key members of senior management and control functions and oversee their performance.

a. *To define the Bank's corporate culture and values.* It shall establish a code of conduct and ethical standards in the Bank and shall institutionalize a system that will allow reporting of concerns or violations to an appropriate body. In this regard, the board of directors shall:

- (1) Approve a code of conduct or code of ethics, which shall articulate acceptable and unacceptable activities, transactions and behaviors that could result or potentially result in conflict of interest, personal gain at the expense of the Bank as well as the corresponding disciplinary actions and sanctions. The code of conduct shall explicitly provide that directors, officers, and all personnel are expected to conduct themselves ethically and perform their job with skill, due care, and diligence in addition to complying with laws, regulations, and company policies.
- (2) Consistently conduct the affairs of the Bank with a high degree of integrity and play a lead role in establishing the Bank's corporate culture and values. The board of directors shall establish, actively promote, and communicate a culture of strong governance in the Bank, through adopted policies and displayed practices. The board of directors shall ensure that the CEO and executive team champion the desired values and conduct, and that they face material consequences if there are persistent or high-profile conduct and value breaches.
- (3) Oversee the integrity, independence, and effectiveness of Bank's policies and procedures for whistleblowing. It shall allow employees to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices directly to the board of directors or to any independent unit. Policies shall likewise be set on how such concerns shall be

investigated and addressed, for example, by an internal control function, an objective external party, senior management and/or the board of directors itself. It shall prevent the use of the facilities of the Bank in the furtherance of criminal and other improper or illegal activities, such as but not limited to financial misreporting, money laundering, fraud, bribery or corruption.

b. *To approve and monitor the implementation of strategic objectives and in overseeing management's implementation thereof.* In this regard, the board of directors shall:

- (1) Ensure that the Bank has beneficial influence on the economy by continuously providing services and facilities which will be supportive of the national economy.
- (2) Approve the Bank's strategic objectives and business plans. These shall take into account the Bank's long-term financial interests, its level of risk tolerance, and ability to manage risks effectively. In this respect, the board of directors shall establish a system for measuring performance against plans.
- (3) Actively engage in the affairs of the Bank and keep-up with material changes in the Bank's business and regulatory environment as well as act in a timely manner to protect the long-term interests of the Bank.
- (4) Approve and oversee the implementation of policies governing major areas of the Bank's operations. The board of directors shall regularly review these policies, as well as evaluate control functions (e.g., internal audit, risk management and compliance) with senior management to determine areas for improvement as well as to promptly identify and address significant risks and issues.

c. *To appoint/select of key members of senior management and heads of control functions and approve a sound remuneration and other incentives policy for personnel.* In this regard, the board of directors shall:

- (1) Oversee selection of the CEO and other key personnel, including members of senior management and heads of control functions based on the application of fit and proper standards. Integrity, technical expertise, and experience in the Bank's business, either current or planned, shall be the key considerations in the selection process. Moreover, since mutual trust and a close working relationship are important, the members of senior management

shall uphold the general operating philosophy, vision and core values of the Bank.

- (2) Approve and oversee the implementation of performance standards as well as remuneration and other incentives policy. The policy should be consistent with the long-term strategic objectives and financial soundness of the Bank and should promote good performance, convey acceptable risk-taking behavior, and reinforce the Bank's operating and risk culture.
- (3) *To oversee the performance of senior management and heads of control functions:*
  - (i) The board of directors shall regularly monitor and assess the performance of the management team and heads of control functions based on approved performance standards.
  - (ii) The board of directors shall hold members of senior management accountable for their actions and enumerate the possible consequences if those actions are not aligned with the board of directors' performance expectations. These expectations shall include adherence to the Bank's values, risk appetite and risk culture, under all circumstances.
  - (iii) The board of directors shall regularly meet with senior management to engage in discussions, question, and critically review the reports and information provided by the latter.
  - (iv) Non-executive board members shall meet regularly, other than in meetings of the audit, risk oversight, corporate governance, and related party transactions committees, in the absence of senior management, with the external auditor and heads of the internal audit, compliance and risk management functions.
- (4) Engage in succession planning for the CEO and other critical positions, as appropriate. In this respect, the board of directors shall establish an effective succession planning program. The program should include a system for identifying and developing potential successors for the CEO and other critical positions.
- (5) Ensure that personnel's expertise and knowledge remain relevant. The board of directors shall provide its personnel with regular training opportunities as part of a professional development program to enhance their competencies and stay abreast of developments relevant to their areas of responsibility.



- (6) Ensure that employee pension funds are fully funded or the corresponding liability appropriately recognized in the books of the Bank at all times, and that all transactions involving the pension fund are conducted at arm's length terms.
- d. *To approve and oversee implementation of the Bank's corporate governance framework.* In this regard, the board of directors shall:
- (1) Define appropriate governance structure and practices for its own work, and ensure that such practices are followed and periodically reviewed. The board of directors shall:
    - (i) structure itself in a way, including in terms of size and frequency of meetings, so as to promote efficiency, critical discussion of issues, and thorough review of matters. The board of directors shall meet regularly to properly discharge its functions, and likewise have discussions on values, conduct, and behaviors.
    - (ii) create committees to increase efficiency and allow deeper focus in specific areas. The number and nature of board-level committees would depend on the size of the Bank and the board of directors, the Bank's complexity of operations, as well as the board of directors' long-term strategies and risk tolerance.
    - (iii) regularly review the structure, size and composition of the board of directors and board-level committees with the end in view of having a balanced membership. Towards this end, a system and procedure for evaluation of the structure, size and composition of the board of directors and board-level committees shall be adopted which shall include, but not limited to, benchmark and peer group analysis. The results of assessment shall form part of the ongoing improvement efforts of the board of directors.
    - (iv) adopt policies aimed at ensuring that the members of the board of directors are able to commit to effectively discharge their responsibilities, which shall include policy on the number of directorship positions and/or other internal/external professional commitments that a director may have, commensurate with the responsibilities placed on the director, as well as the nature, scale and complexity of the Bank's operations.

- (v) ensure that individual members of the board of directors and the shareholders are accurately and timely informed of a comprehensive and understandable assessment of the Bank's performance, financial condition, and risk exposures. All members of the board of directors shall have reasonable access to any information about the Bank at all times. The board of directors shall also ensure that adequate and appropriate information flows internally and to the public.
  - (vi) assess at least annually its performance and effectiveness as a body, as well as its various committees, the CEO, the individual directors, and the Bank itself, which may be facilitated by the corporate governance committee or external facilitators. This exercise shall cover the assessment of the ongoing suitability of each board member taking into account his or her performance in the board of directors and board-level committees.
  - (vii) The board of directors shall maintain appropriate records (e.g., meeting minutes or summaries of matters reviewed, recommendations made, decisions taken and dissenting opinions) of its deliberations and decisions. The board of directors shall also ensure that independent views in meetings of the board of directors shall be given full consideration and all such meetings shall be duly minuted.
- (2) Develop a remuneration and other incentives policy for directors that shall be submitted for approval of the stockholders. The board of directors shall ensure that the policy is consistent with the long-term interest of the Bank, does not encourage excessive risk-taking, and is not in conflict with the director's fiduciary responsibilities.
  - (3) Adopt a policy on retirement for directors and officers, as part of the succession plan, to promote dynamism and avoid perpetuation in power.
  - (4) Conduct and maintain the affairs of the Bank within the scope of its authority as prescribed in its charter and in existing laws, rules and regulations. It shall ensure effective compliance with the latter, which include prudential reporting obligations. Serious weaknesses in adhering to these duties and responsibilities may be considered as unsafe or unsound banking.
  - (5) Maintain, and periodically update, organizational rules, by-laws, or other similar documents setting out its organization, rights,

responsibilities and key activities. The board of directors shall ensure that the Bank's organizational structure facilitates effective decision-making and good governance. This includes clear definition and delineation of the lines of responsibility and accountability.

- (6) Oversee the development, approve, and monitor implementation of corporate governance policies. The board of directors shall ensure that corporate governance policies are followed and periodically reviewed for ongoing improvement.
- (7) Approve an overarching policy on the handling of Related Party Transactions (RPT) to ensure that there is effective compliance with existing laws, rules and regulations at all times, that these are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged. In this regard, the board of directors shall:
  - (i) approve all material RPTs, those that cross the materiality threshold, and write-off of material exposures to related parties, and submit the same for confirmation by majority vote of the stockholders in the annual stockholders' meeting. Any renewal or material changes in the terms and conditions of RPTs shall also be approved by the board of directors. All final decisions of the board of directors on material RPTs, including important facts about the nature, terms, conditions, original and outstanding individual and aggregate balances, justification and other details that would allow stockholders to make informed judgment as to the reasonableness of the transaction, must be clearly disclosed during stockholders' meetings and duly reflected in the minutes of board of directors and stockholders' meetings.
  - (ii) delegate to appropriate management committee the approval of RPTs that are below the materiality threshold, subject to confirmation by the board of directors. This shall, however, exclude directors, officers, stockholders, and their related interests (DOSRI) transactions, which are required to be approved by the board of directors. All decisions under the delegated authority must be properly recorded in the minutes of the committee meetings.
  - (iii) establish an effective system to:
    - Determine, identify and monitor related parties and RPTs;
    - Continuously review and evaluate existing relationships between and among businesses and counterparties; and

- Identify, measure, monitor and control risks arising from RPTs. The system should be able to define related parties' extent of relationship with the Bank; assess situations in which a nonrelated party (with whom a Bank has entered into a transaction) subsequently becomes a related party and vice versa; and generate information on the type and amount of exposures to a particular related party. The said system will facilitate submission of accurate reports to the regulators/supervisors. The system as well as the overarching policies shall be subject to periodic assessment by the internal audit and compliance functions and shall be updated regularly for their sound implementation. The overarching policy and the system shall be made available to the BSP and audit functions for review. Any changes in the policies and procedures shall be approved by the board of directors.
- (iv) maintain adequate capital against risks associated with exposures to related parties. In this regard, material risks arising from RPTs shall be considered in the capital planning process. The prescribed scenario/stress tests under the capital planning process shall also capture RPTs in order to determine whether the Bank is well-insulated from any going concern issue of related parties.
- (v) oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing. The board of directors should ensure that senior management addresses legitimate issues on RPT that are raised. The board of directors should take responsibility for ensuring that staff who raise concerns are protected from detrimental treatment or reprisals.
- (8) Define an appropriate corporate governance framework for group structures, which shall facilitate effective oversight over entities in the group. The board of directors of the parent company shall ensure consistent adoption of corporate governance policies and systems across the group. In this regard, the board of directors shall:
- (i) define and approve appropriate governance policies, practices and structure that will enable effective oversight of the entire group, taking into account the nature and complexity of operations, size and the types of risks to which the Bank and its subsidiaries are exposed. The board of directors shall also establish means to ensure that such

policies, practices and systems remain appropriate in light of the growth, increased complexity and geographical expansion of the group. Further, it shall ensure that the policies include the commitment from the entities in the group to meet all governance requirements.

- (ii) define the risk appetite for the group, which shall be linked to the process of determining the adequacy of capital of the group.
- (iii) ensure that adequate resources are available for all the entities in the group to effectively implement and meet the governance policies, practices and systems.
- (iv) define and approve policies and clear strategies for the establishment of new structures.
- (v) understand the roles, the relationships or interactions of each entity in the group with one another and with the parent company. The board of directors shall understand the legal and operational implications of the group structure and how the various types of risk exposures affect the group's capital, risk profile and funding under normal and contingent circumstances. The board of directors shall ensure that the group's corporate governance framework includes appropriate processes and controls to identify and address potential intragroup conflicts of interest, such as those arising from intragroup transactions.
- (vi) develop sound and effective systems for generation and sharing of information within the group, management of risks and effective supervision of the group.
- (vii) require the risk management, compliance function and internal audit group to conduct a periodic formal review of the group structure, their controls and activities to assess consistency with the board of directors approved policies, practices and strategies and to require said groups to report the results of their assessment directly to the board of directors.

- e. *To approve the Bank's risk governance framework and overseeing management's implementation thereof.* In this regard, the board of directors shall:

- (1) Define the Bank's risk appetite. In setting the risk appetite, the board of directors shall take into account the business environment, regulatory landscape, and the Bank's long term interests and ability to manage risk.
  - (2) Approve and oversee adherence to the risk appetite statement (RAS), risk policy, and risk limits.
  - (3) Oversee the development of, approve, and oversee the implementation of policies and procedures relating to the management of risks throughout the Bank.
  - (4) Define organizational responsibilities following the three lines of defense framework. The business line functions will represent the first line of defense, the risk management and compliance functions for the second line of defense, and the internal audit function for the third line of defense. In this regard, the board of directors shall ensure that:
    - (i) the risk management, compliance and internal audit functions have proper stature in the organization, have adequate staff and resources, and carry out their responsibilities independently, objectively and effectively.
    - (ii) non-executive board members meet regularly, with the external auditor and heads of the internal audit, compliance and risk management functions other than in meetings of the audit and risk oversight committees, in the absence of senior management.
3. *Specific duties and responsibilities of a director:*
- a. *To remain fit and proper for the position for the duration of his/her term.* A director is expected to remain fit and proper for the position for the duration of his/her term. He/She should possess unquestionable credibility to make decisions objectively and resist undue influence. He shall treat board directorship as a profession and shall have a clear understanding of his/her duties and responsibilities as well as his/her role in promoting good governance. Hence, he/she shall maintain his/her professional integrity and continuously seek to enhance his/her skills, knowledge and understanding of the activities that the Bank is engaged in or intends to pursue as well as the developments in the Banking industry including regulatory changes through continuing education or training.

- b. *To conduct fair business transactions with the Bank and to ensure that personal interest does not bias board decisions.* Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his/her position to make profit or to acquire benefit or advantage for himself and/or his/her related interests. He/She should avoid situations that would compromise his/her impartiality.
- c. *To act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and general public.* A director must always act in good faith, with the care which an ordinarily prudent man would exercise under similar circumstances. While a director should always strive to promote the interest of all stockholders, he/she should also give due regard to the rights and interests of other stakeholders.
- d. *To devote time and attention necessary to properly discharge their duties and responsibilities.* Directors should devote sufficient time to familiarize themselves with the institution's business. They must be constantly aware of the institution's condition and be knowledgeable enough to contribute meaningfully to the board's work. They must attend and actively participate in board and committee meetings, request and review meeting materials, ask questions, and request explanations. If a person cannot give sufficient time and attention to the affairs of the institution, he/she should neither accept his/her nomination nor run for election as member of the board. A director should notify the Board where he/she is an incumbent director before accepting a directorship in another company.
- e. *To act judiciously.* Before deciding on any matter brought before the BOD, every director should thoroughly evaluate the issues, ask questions and seek clarifications when necessary.
- f. *To contribute significantly to the decision-making process of the board.* Directors should actively participate and exercise objective independent judgment on corporate affairs requiring the decision or approval of such board.

- g. *To exercise independent judgment.* A director should view each problem/situation objectively. When a disagreement with others occurs, he/she should carefully evaluate the situation and state his/her position. He/She should not be afraid to take a position even though it might be unpopular. Corollarily, he/she should support plans and ideas that he/she thinks will be beneficial to the institution.
  - h. *To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies.* A director should also keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness.
  - i. *To observe confidentiality.* Directors must observe the confidentiality of non-public information acquired by reason of their position as directors. They may not disclose said information to any other person without the authority of the board.
4. Formulate policies, rules and regulations for the effective operations of the Bank (i.e., loans, investments, deposits, borrowings, technical assistance);
  5. Set the Bank's corporate philosophy and mission;
  6. Set and review management's strategic and business plans, financial objectives and actions;
  7. Establish such branches and agencies as may be deemed necessary and convenient.
  8. Delegate management responsibility to the Bank President & Chief Executive Officer (CEO) and a team of Senior Officers.
  9. Evaluate the performance of the Bank President & CEO;
  10. Adopt and maintain adequate risk management policies and oversee the risk management process to ensure that policies are followed, limits respected and controls are in place.
  11. A Director or Officer shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value ("Gift") from any person where such Gift: (a) would be illegal or in violation of law; (b) is part of an attempt or agreement to do



anything in return; (c) has a value beyond what is normal and customary in the Bank's business; (d) is being made to influence the member of Board's, or Officers' actions as such; or (e) could create the appearance of a conflict of interest.<sup>1</sup>

12. Perform such other duties as provided for in the LANDBANK Charter and By-Laws, and perform such duties and obligations with fidelity.
13. Specific duties and responsibilities of the Chairperson of the Board of Directors:
  - a. Responsible for the efficient functioning of the Board;
  - b. Calls meetings, approves and sets the agenda, and presides over Board meetings and ensures that all directors are enabled and encouraged to actively participate in all discussions and resolutions on matters taken up by the Board;
  - c. Exercise control over quality, quantity and timeliness of the flow of information between Management and the Board<sup>2</sup>;
  - d. Assists in ensuring compliance with the Bank's guidelines on corporate governance;<sup>3</sup>
  - e. *To provide leadership in the board of directors.* The chairperson of the board shall ensure effective functioning of the board, including maintaining a relationship of trust with board members<sup>4</sup>; and
  - f. *To ensure that the board takes an informed decision.* The chairperson of the board shall ensure a sound decision making process and he should encourage and promote critical discussion and ensure that dissenting views can be expressed and discussed within the decision-making process.<sup>5</sup>
  - g. Being the leader of the board, the Chairperson shall be primarily responsible for the effective implementation of governance arrangements. He/She shall ensure that: <sup>6</sup>

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<sup>1</sup> GCG MC No. 2012-07

<sup>2</sup> GCG MC No. 2012-07

<sup>3</sup> *Ibid.*

<sup>4</sup> BSP Circular No. 749, S. 2012

<sup>5</sup> *Ibid.*

<sup>6</sup> BSP Circular 1127, S. 2021

- (1) the meeting agenda focuses on strategic matters involving stakeholder interests, including discussions on risk appetite, and key governance and operational concerns;
  - (2) the board practices a sound decision making process;
  - (3) the board is open to critical discussions and that dissenting views can be expressed and discussed within the decision-making process;
  - (4) the board receives accurate, timely, and relevant information from management;
  - (5) first time directors undergo proper orientation and all directors are provided training opportunities; and
  - (6) the work performances of the members of the board are evaluated at least once a year.
14. In the absence of the Chairperson of the Board, the Vice Chairperson shall preside at the meetings of the Board.<sup>1</sup>

*The Board shall also have the following internal control responsibilities:*

1. Ensure that the Bank is appropriately and effectively managed and controlled in a sound and prudent manner through:
  - a. Organizational and procedural controls supported by an effective management information system and risk management reporting system.
  - b. Independent audit mechanisms to monitor the adequacy and effectiveness of the Bank's governance, operations, information systems, to include reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, rules, regulations and contracts.
  - c. Statement by the Directors confirming the truth and fairness of the Bank's financial statements. (See Annex 1)<sup>1</sup>
2. The minimum internal control mechanism for the Board's oversight responsibility may include:
  - a. Defining the duties and responsibilities of the President & CEO;

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<sup>1</sup> GCG MC No. 2012-07

- b. Reviewing proposed senior management appointments;
  - c. Ensuring the selection, appointment and retention of qualified and competent management;
  - d. Reviewing the Bank's personnel and human resource policies and sufficiency, conflict of interest situations, changes to the compensation plan for employees and officers and management succession plan.
3. The Bank shall have in place committees through which the Board, senior management and stakeholders may be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate and complied with.
  4. Whenever any member attending a meeting of the Board has a personal interest in the discussion or resolution of any given matter, or any of his/her relatives within the fourth degree of consanguinity or a second degree of affinity has such interest, said member shall not participate in the discussion or resolution of the matter and must retire from the meeting during the deliberations thereon. The subject matter, when resolved, and the fact that a member had a personal interest in it, shall be made available to the public. The minutes of the meeting shall note the withdrawal of the member concerned.

*In relation to the implementation of the Internal Capital Adequacy Assessment Process (ICAAP), the Board shall also have the following functions and responsibilities:*

1. Approve the annual LANDBANK ICAAP Report consisting of the main report and the individual reports of the various risk categories.
2. Assess and approve the LANDBANK Capital Management and Capital Strengthening Policy which outlines the various options in strengthening capital.
3. Approve proposed capital build-up initiatives.
4. Monitor and evaluate the Bank's capital level, CAR, capital structure and composition including the underlying factors that caused the movements in capital on a per component basis and the factors and transactions with significant impact on capital and CAR.

*In relation to the integration of environmental and social (E&S) risks in the Bank's corporate governance and enterprise-wide risk management*

*frameworks<sup>1</sup>, the Board shall also have the following functions and responsibilities:*

1. *To institutionalize the adoption of sustainability principles, including those covering environmental and social (E&S) risk areas in the bank, by incorporating the same in the corporate governance and risk management frameworks as well as in the bank's strategic objectives and operations, risk strategy, risk appetite and risk management policies and procedures. Moreover, the board shall:*
  - a. Set strategic E&S objectives covering short, medium, and long-term horizons;
  - b. Approve the risk appetite on specific risk areas that the bank is willing and capable to manage, results of stress testing exercises, and assessment of the timing and channels through which E&S risks may materialize; and
  - c. Ensure that material E&S risks are considered in the ICAAP or internal capital planning process.
2. *To promote a culture that fosters environmentally and socially responsible business decisions.* The board of directors shall ensure that sustainability implications are considered in the overall decision-making process;
3. *To approve the Bank's Environmental and Social Risk Management System (ESRMS) that is commensurate with the bank's size, nature, and complexity of operations and oversee its implementation.* The board of directors shall ensure that the ESRMS is aligned with internationally recognized principles, standards and global practices and forms part of the enterprise-wide risk management (ERM) system;
4. To ensure that sustainability objectives and policies are clearly communicated across the institution, and to its investors, clients, and other stakeholders;
5. *To adopt an effective organizational structure to ensure attainment and continuing relevance of the bank's sustainability objectives.* The board of directors or the designated board-level or management committee shall monitor the bank's progress in attaining sustainability objectives;
6. To monitor the progress of the bank in meeting its E&S strategic objectives and targets and ensure that issues in meeting the same are addressed.

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<sup>1</sup> BSP Circular Nos. 1085, S.2020 and 1128, S.2021

7. *To institutionalize a capacity building program for the Board of Directors, all levels of management, and personnel to equip the bank in identifying, measuring, monitoring, and controlling E&S risks.* The board of directors shall likewise ensure that key personnel shall possess adequate knowledge, skills, and expertise necessary to perform their work.
8. *To ensure that adequate resources are available to attain the bank's sustainability objectives.* The board of directors shall ensure that the members of the board, senior management and personnel are regularly apprised of the developments on sustainability standards and practices;
9. To adopt an effective communication strategy to inform both internal and external stakeholders of the bank's E&S strategic objectives and targets; and
10. To ensure that the sustainability agenda is integrated in the bank's performance appraisal system.

Likewise, the board of directors shall set strategic E&S objectives and targets for the bank's credit operations covering short, medium, and long-term horizons to facilitate the integration of E&S principles in lending operations. These objectives may include progressively increasing targets on the proportion of the loan portfolio allocated for sustainable financing. In this regard, the board of directors shall:

1. Set out clear criteria involving decisions to finance high E&S risk sectors during the said term horizons. The criteria shall consider the long-term financial interest of the bank and its role in contributing to the sustainable goals and growth of the economy; and
2. Ensure comprehensive discussion of credit related E&S risks of the bank as well as deviations from strategic objectives and targets set.

The bank shall integrate E&S risk events in its operational risk management framework, consistent with its size, operational risk profile, and complexity of operations. In this regard, the board of directors shall:

1. Ensure that E&S risks are integrated in the operational risk management framework. For this purpose, the identified potential sources of operational risk exposures of a bank shall include climate change, failure of climate change mitigation and adaptation strategies or initiatives, and other E&S risks such as, among others, water crises, natural disasters, incidents related to pollution, and waste management, as well as those affecting customer and employee safety; and

2. Ensure that the bank's policies and procedures include the extent of the bank's engagement with its counterparties, including suppliers and outsourced service providers, with regard to the adoption of sustainability principles, in accordance with its strategy.

*In relation to the Bank's license as Operator of Payment System (OPS) <sup>1</sup>, the Board shall be responsible for establishing and approving the strategic objectives of the OPS and for overseeing the management's pursuit of these objectives. In this regard, the board of directors shall:*

1. Ensure that the payment system has a beneficial influence in maintaining financial stability by continuously providing safe and efficient payment services and facilities that are supportive of the needs of the national economy;
2. Approve the OPS' strategic objectives and business plans which shall take into account the OPS' long-term business interests, the level of risk tolerance, capability to effectively manage risks and stakeholder considerations;
3. Actively engage in the affairs of the OPS and keep abreast of its operating and regulatory environment. as well as act in a timely manner to protect the interests of the OPS and its stakeholders; and
4. Approve and oversee the implementation of policies governing major areas of operation. The board of directors shall regularly review these policies as well as control functions (i.e., risk management, compliance, and internal control) to determine the areas needing improvement and promptly identify and address significant risks and systemic concerns.

## **F. OTHER RESPONSIBILITIES OF THE BOARD**

Each Director shall:

1. Study the powers, duties and responsibilities of the Board;
2. Certify that he fully understands the same as required by BSP under this Manual; and
3. Faithfully perform the powers, duties and responsibilities of the Board.
4. Submit yearly a notarized Statement of Assets, Liabilities and Net Worth (SALN).

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<sup>1</sup> BSP Circular No. 1127, S.2021

5. Submit a notarized “Panunumpa” (Oath of Office) to the Office of the Corporate Secretary pursuant to the appointment letter issued by the Office of the President of the Philippines.
6. Attach a copy of the formal Charter of Expectations, which each Director shall sign, to the copy of the “Oath of Office”. (See Annex 2)
7. Submit a List of Disclosures. (See Annex 3)

Failure to perform any of the duties and responsibilities shall be subject to penalty of Thirty thousand Pesos (P30,000.00) per violation.<sup>1</sup>

## **G. INDEPENDENT DIRECTORS<sup>2</sup>**

In selecting independent directors, the number and types of entities where the candidate is likewise elected as such, shall be considered to ensure that he will be able to devote sufficient time to effectively carry out his/her duties and responsibilities.

An independent director shall refer to a person who –

1. is not or was not a director, officer or employee of the bank, its subsidiaries or affiliates or related interests during the past three (3) years counted from the date of his election/appointment;
2. is not or was not a director, officer or employee of the Bank’s substantial stockholders and their related companies during the past three (3) years counted from the date of his election/appointment;
3. is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the board of directors of the institution, or in any of its related companies or of its majority corporate shareholders;
4. is not a close family member of any director, officer or stockholder holding shares of stock sufficient to elect one seat in the board of directors of the bank or any of its related companies or of any of its substantial stockholders.
5. is not acting as a nominee or representative of any director or substantial shareholder of the bank, any of its related companies or any of its substantial shareholders;

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<sup>1</sup> BSP Circular No. 283, S. 2001

<sup>2</sup> BSP Circular No. 969, S.2017

6. is not or was not retained as professional adviser, consultant, agent or counsel of the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his/her election;
7. is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.
8. was not appointed in the Bank, its subsidiaries, affiliates or related interests as Chairperson "Emeritus", "Ex-Officio", Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment;
9. is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders; and
10. is not employed as an executive officer of another company where any of the Bank's executives serve as directors.

An independent director of the Bank may only serve as such for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the same Bank, but may continue to serve as regular director. The nine (9) year maximum cumulative term for independent directors shall be reckoned from 2012.

#### **H. MEETINGS OF THE BOARD OF DIRECTORS**

1. The Board shall convene as often as necessary to discharge its responsibilities properly, but shall meet at least once every two (2) weeks. The Board may be convened either by the Chairperson or in his/her absence, the Vice-Chairperson. Independent views expressed during such meetings are given due consideration and all such meetings shall be properly documented or minuted.
2. Special meetings of the Board may be held upon the call of the Chairperson or by the written request of two or more members, upon 48 hours notice, specifying the date, time and general purpose of the



- meeting, given to each Board member, either personally or through his/her office or by mail;
3. The majority of the Board Members shall constitute a quorum. All decisions of the Board shall require the concurrence of at least a majority.
  4. The meetings of the board of directors may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein: *Provided*, That every member of the board shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all board meetings every year: *Provided, further*, That the absence of a director in more than fifty percent (50%) of all regular and special meetings of the board of directors during his/her incumbency is ground for disqualification in the succeeding election: *Provided furthermore*, That the twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies, public health emergencies, and major disasters, among others, that affect mobility, activity, and access to the Bank. <sup>1</sup>
  5. *Minutes of the meetings.* Detailed record or minutes of the meeting shall be maintained by the corporate or board secretary to ensure all relevant issues were discussed during board meetings. Members of the board shall sign (physically or electronically) or approve the minutes of the meeting. <sup>2</sup>

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<sup>1</sup> BSP Circular No. 1129, S. 2021

<sup>2</sup> BSP Circular No. 1127, S. 2021

## CHAPTER 2

### THE BOARD OF DIRECTORS

#### A. COMPOSITION OF THE BOARD OF DIRECTORS

The affairs and business of the Bank shall be directed and its property managed and preserved by a Board of Directors consisting of nine (9) members (per RA 3844, as amended by RA 7907 of 1995) as follows:

- Secretary of Finance - Chairperson (Ex Officio)
- LANDBANK President and CEO - Vice- Chairperson
- Secretary of Agrarian Reform - Ex Officio Member
- Secretary of Labor and Employment - Ex Officio Member
- Secretary of Agriculture - Ex Officio Member
- Two members appointed by the President of the Philippines representing Agrarian Reform Beneficiaries
- Two members appointed by the President of the Philippines representing the Private Sector

The President shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause.<sup>1</sup>

To promote checks and balances, the Chairperson of the board of directors shall be a non-executive director or an independent director. *Provided*, that the Chairperson and CEO positions in any Operators of Payment System (OPS) shall not be held by one person.<sup>2</sup>

An ex-officio member of the Board may designate as an Alternate to the LANDBANK Board only the following<sup>3</sup>:

1. An Officer of the Department or Agency to which LANDBANK is attached who shall have a rank that is not lower than the equivalent of Director III;
2. The Alternate must not already be a member of the Board of LANDBANK; and
3. The Alternate reports directly to the Principal Director on matters covered by the LANDBANK.

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<sup>1</sup> GOCC Governance Act of 2011

<sup>2</sup> BSP Circular 1127, S. 2021

<sup>3</sup> GCG MC No. 2012-08

Unless specifically limited in the letter of designation, the duly-designated Alternate may act and vote with the same power and legal effect as that of the Principal Director in the Board and Board-Level Committee meetings, and during the entire period that the Principal Director is an *Ex Officio* Board Member.

The Principal Director shall designate a qualified Alternate through a written notice to the LANDBANK Corporate Secretary. He may also revoke the designation of the Alternate at any time, provided it shall be effective only upon written notice to LANDBANK Corporate Secretary.

At least one-third (1/3) but not less than two (2) members of the board of directors shall be independent directors: *Provided*, That any fractional result from applying the required minimum proportion, i.e., one-third (1/3), shall be rounded up to the nearest whole number.<sup>1</sup> An independent director may only serve as such for a maximum cumulative term of nine (9) years.<sup>2</sup>

The election/appointment of directors of the Bank shall be subject to confirmation by the Monetary Board except for the re-election/re-appointment of the director in the same Bank or election/reappointment of the same director in another bank, Quasi-Banks, trust corporation, and Non-Bank Financial Institution with trust authority within the banking group.<sup>3</sup>

## B. TERM OF OFFICE OF APPOINTIVE DIRECTORS

*Appointive Director* refers to all members of its Board of Directors who are not *ex officio* members thereof.<sup>4</sup>

Pursuant to Section 17 of the GOCC Governance Act of 2011, any provision in the Charter, Articles of Incorporation and/or By-laws of the Bank to the contrary notwithstanding, the term of office of each Appointive Director shall be for one (1) year, unless sooner removed for cause: *Provided*, however, that each Appointive Director shall continue to hold office until the successor is appointed and qualified.

1. By virtue of the provisions of the said section providing that "Any provision of law to the contrary notwithstanding, all incumbent CEOs and appointive members of the Board of GOCCS shall, upon approval of said Act, have a term of office until June 30, 2011, unless sooner replaced by the President," and notwithstanding any provision in the Charter, Articles of Incorporation and/or By-laws to the contrary, the one (1) year Term of

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<sup>1</sup> BSP Circular No. 969, S.2017

<sup>2</sup> BSP Circular No. 1129, S. 2021

<sup>3</sup> BSP Circular No. 969, S.2017

<sup>4</sup> GOCC Governance Act of 2011

## CHAPTER 3

### BOARD LEVEL COMMITTEES

To aid in complying with the principles of corporate governance, the Board shall constitute the following Committees:

#### A. AUDIT AND COMPLIANCE COMMITTEE (AC COM)<sup>2</sup>

##### 1. OVERVIEW

This Charter shall ensure compliance with the requirements of BSP Circular No. 871, series of 2015 re: Internal Control and Internal Audit; BSP Circular No. 972, series of 2017 re: Enhanced Guidelines in Strengthening Compliance Frameworks; BSP Circular No. 969, series of 2017 re: Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions, BSP Circular No. 950, series 2017, as amended by BSP Circular No.1022, s. 2018, re: Amendment to Part 8 or the Anti-Money Laundering Regulations of the Manual of Regulations for Banks and the Code of Corporate Governance of the Securities and Exchange Commission (SEC) that identify the functions related to audit and

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compliance management under a board-level committee, thus, the creation of a joint Audit and Compliance Committee (per LBP Board Resolution No. 14-020-A dated January 24, 2014).

## **2. PURPOSE**

The Audit and Compliance Committee shall assist the Board of Directors in fulfilling its oversight responsibilities specifically:

### **2.1 FOR INTERNAL AUDIT AND INTERNAL CONTROL (BSP Circular 871)**

- a. To oversee Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework; it shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets
- b. To oversee the internal audit function

### **2.2 FOR COMPLIANCE (BSP Circulars 972 and 950, as amended by 1022, s. 2018)**

- a. To oversee the implementation of the Bank's Compliance Program
- b. To ensure that oversight on the Bank's Anti-Money Laundering and Combating the Terrorism and Proliferation Financing (AML/CTPF) compliance management is adequate

## **3. COMPOSITION**

- a. The Audit and Compliance Committee shall be composed of at least three (3) of the Board of Directors, wherein all shall be non-executive directors, majority of whom shall be independent directors including the Chairperson. It shall include a Chairperson, and two (2) members, who shall be appointed/ designated by the Board of Directors. The Chairperson shall not be the Chairperson of the Board of Directors or of any other board-level committees.
- b. Appointed/designated members of the Audit and Compliance Committee who are ex-officio members of the Board of Directors may be represented by their respective alternates to the committee.

- c. Members of the Audit and Compliance Committee shall preferably with accounting, auditing or related financial management expertise or experience.
- d. No member shall simultaneously serve on the Audit and Compliance Committee of other agencies and/or the Trust Committee of the Bank.

#### **4. MEETINGS AND PROCEDURES**

- a. The Audit and Compliance Committee shall meet at least once a month with authority to convene for special meetings, as the circumstances require.
- b. The Chairperson, shall be the presiding officer during committee meetings. In his/her absence, any of the members may preside.
- c. The presence of two (2) members shall constitute a quorum in all committee meetings.
- d. The Internal Audit Group shall serve as the Secretariat of the committee.

#### **5. RESPONSIBILITIES/FUNCTIONS**

The Audit and Compliance Committee shall have the following duties and responsibilities:

- a. Oversee the financial reporting framework (i.e., financial reporting process, practices and controls). It shall ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.
- b. Provide an open avenue of communication, among the internal auditors, external auditors, Senior Management, the Board of Directors and other supervisory authority.
- c. Provide functional supervision over the Internal Audit Group and Compliance Management Group to ensure effective performance of their functions.
- d. Oversee the performance of internal audit service provider (may it be for an assurance, consulting or any engagement in which internal audit activity would require resource and competence/expertise from third party).

- e. Recommend formulation or amendments to policies, systems and procedures based on results of its evaluation of the reports from internal audit, compliance, external audit and regulatory bodies.
- f. Utilize the work conducted by internal audit and compliance functions by undertaking timely and effective actions on issues identified.
- g. Assess the reports from external auditors and regulatory agencies, and ensure that management judiciously and appropriately acts on recommendations on significant deficiencies and/or material weaknesses identified.
- h. Ensure that a review of the effectiveness of the Bank's internal controls including financial, operational and compliance controls and risk management, is conducted at least annually.
- i. Exercise explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management, full discretion to invite any director or officer to attend its meetings, and adequate resources to enable effective discharge of its functions.
- j. Establish and maintain mechanisms by which officers and staff may, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that have the power to take corrective action. It shall ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.
- k. Assess the organizational structure and staffing of IAG and CMG, subject to the Bank's standard guidelines, for the effective performance of their assigned tasks and endorse the same to management.

#### **5.1 RESPONSIBILITIES IN THE FUNCTIONAL SUPERVISION OVER IAG AND CMG**

- a. Endorse to the Board the appointment or removal of the Heads of IAG and CMG.
- b. Review and approve the IAG and CMG plans and programs and major changes thereof.
- c. Evaluate the performance of the IAG and CMG relative to their plans and programs and other matters.

- d. Review and approve the performance evaluation/appraisal of the Heads of IAG and CMG.
- e. Assess the appropriateness of IAG and CMG scope of plans and programs vis-à-vis their resources.

## **5.2 SPECIFIC RESPONSIBILITIES IN THE FUNCTIONAL SUPERVISION OVER IAG**

- a. Responsible for establishing and maintaining an independent, competent and effective internal audit function commensurate with the complexity of its risk profile.
- b. Review and approve the IAG's Charter and any amendment/s thereto and endorse the same to the Board of Directors for confirmation.
- c. Review and approve an audit program that encompasses audit scope and frequency, policies, processes, procedures, and strategies that would govern IAG, including major changes thereof. It shall ensure that the scope covers the review of the effectiveness of the Bank's internal controls, including financial, operational and compliance controls, and risk management system.
- d. Communicate and interact directly with the IAG Head, internal auditors, and external auditors, including separate or private sessions as appropriate and necessary. It shall also ensure that there is coordination of audit effort between IAG and external auditor (COA) in terms of audit scope, approach, independence, and performance.
- e. Approve/confirm the IAG annual budget.
- f. Ensure that IAG is free from interference in determining the scope of the internal auditing examinations necessary to perform the work and communication of results.
- g. Ensure that internal auditors have free access to all Bank's records, personnel and properties relevant to the performance of their functions.
- h. Receive key audit reports, and ensure that Senior Management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws and regulations and other issues identified by auditors.



- i. Evaluate the performance of IAG relative to their audit plans and programs and other matters.
- j. Ensure that IAG conforms with relevant rules and regulations (BSP and COA issuances and Philippine Government Internal Auditing Manual) and professional standards, such as, but not limited to, the International Professional Practices Framework issued by the Institute of Internal Auditors, and those standards issued by the Information Systems Audit and Control Association, Committee on Sponsoring Organizations of the Treadway Commission.

### **5.3 SPECIFIC RESPONSIBILITIES IN THE FUNCTIONAL SUPERVISION OVER CMG**

- a. Adopt measures to ensure the compliance function's standing, authority and independence from the business activities of the Bank
- b. Ensure that the Compliance Program is defined for the Bank and that compliance issues are resolved expeditiously.
- c. Review and approve any update/amendment to the Compliance Charter, Compliance Manual, and Money Laundering and Terrorist Financing Prevention Program (MTPP) and endorse the same to the Board of Directors for approval.
- d. Oversee the implementation of the LBP Compliance Program and MTPP.
- e. Ensure that CMG have the right to obtain access to information necessary to carry out its responsibilities and conduct investigations of possible breaches of the compliance policy.
- f. Review reports submitted by CMG including Minutes of Meeting and resolutions of the Anti-Money Laundering Committee and all other matters related to AML and CTPF compliance and their risk management.
- g. Provide the Board of Directors with regular reports on the findings of regulatory bodies together with the actions of Management on said findings.
- h. Approve/confirm the CMG annual budget.

- i. Evaluate the performance of CMG relative to the plans and programs and other matters.
- j. Ensure that Bank personnel adhere to the pre-defined compliance standards of the Bank.

#### **5.4 OTHER RESPONSIBILITIES**

- a. The Audit and Compliance Committee, through the Chairperson, shall regularly report to the Board of Directors its activities, issues and related recommendations.
- b. Obtain any information and or training needed to enhance the members' understanding/competence on the areas of financial reporting policies, practices and control, internal and external audit functions, and compliance function.
- c. Review and update this Charter at least annually or as often as necessary, whenever there are significant changes, and endorse the same to the Board for approval.
- d. Conduct annual self-assessment of the committee's performance including its effectiveness and compliance with this Charter.

### **B. RISK OVERSIGHT COMMITTEE (RISKCOM)<sup>1</sup>**

#### **1. Overview**

The Bangko Sentral ng Pilipinas (BSP) amended the Specific Duties and Responsibilities of the Board of Directors, and required the establishment of the RISK OVERSIGHT COMMITTEE (RISKCOM) per requirements of the Manual of Regulations for Banks (MORB) under Section 133 (Board-Level Committees) in accordance with MORB Section 132 (Board of Directors). Further, BSP MORB under Section 141 (Supervision by Risk) set forth the expectations of the Bangko Sentral with respect to the management of risks and are intended to provide more consistency in how the risk-focused supervision function is applied to these risks. The Bangko Sentral will review the risks to ensure that a bank's internal risk management processes are integrated and comprehensive. Also, BSP MORB under Section 142 (Risk Governance Framework) states that the risk governance framework shall include policies, supported by appropriate processes and control procedures, designed to ensure that the risk identification, aggregation, mitigation and monitoring capabilities are commensurate with the BSFI's size, complexity, risk profile, and

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<sup>1</sup> Charter of the LBP Risk Oversight Committee

systemic importance such as BSP MORB Sections 143 (Credit Risk Management), 144 (Market Risk Management), 145 (Liquidity Risk Management), 145-A (Liquidity Coverage Ratio), 146 (Operational Risk Management), 147 (Bank Protection), 148 (Information Technology Risk Management), 149 (Business Continuity Management), 150 (Social Media Risk Management), and 151 (Guidelines on the Conduct of Stress Testing Exercise).

Consistent with the regulatory enhancements and to align and address the need for a comprehensive and advanced risk management brought about by industry changes and trends, information technology, banking environment, new products, and other emerging risks, this LANDBANK RISKCOM Charter was amended. This Charter shall be reviewed annually or as the need arises to determine whether its responsibilities are adequately described, and policies are amended, if necessary, in order to adapt to future risks that the Bank may be exposed to.

## **2. Purpose**

This Charter shall serve as the basis for the RISKCOM in the performance of its mandated functions. Among others, it provides the composition, authority, duties and responsibilities of the RISKCOM as provided for under BSP Circular No. 969 and all related risk management circulars.

## **3. Composition**

The RISKCOM shall be composed of at least three (3) members of the Board of Directors, majority of whom shall be independent directors, including the chairperson. The RISKCOM shall possess a range of expertise as well as adequate knowledge of risk management issues and practices to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur. It shall have access to independent experts to assist it in discharging its responsibilities.

The Board shall appoint the members of the RISKCOM. It shall also appoint one of these members as the Chairperson of the Committee. More than 50% of the members shall be present to form a quorum.

The following shall be considered in the composition of the Committee members:

- a. The RISKCOM chairperson shall not be the chairperson of the Board of Directors, or any other board-level committee.
- b. At least one of the Committee members shall be a member of the Audit Committee.

- c. An independent director shall refer to a person who will be able to devote sufficient time to effectively carry out his duties and responsibilities.
- d. In order to promote objectivity, the board of directors shall appoint independent directors and non-executive members of the board of directors to the greatest extent possible. An independent director who is a member of any committee that exercises executive or management functions that can potentially impair such director's independence cannot accept membership in committees that perform independent oversight/control functions such as the Audit, Risk Oversight and Corporate Governance, Related Party Transactions committees, without prior approval of the Monetary Board.
- e. The RISKCOM shall ensure that appropriate records (e.g. minutes of meetings or summary of matters reviewed and decision taken) of their deliberations and decisions are maintained. Such records shall document the committee's fulfillment of its responsibilities and facilitate the assessment of the effective performance of its functions.

#### 4. Role

The RISKCOM shall be primarily responsible for:

- a. Fulfilling statutory, fiduciary and regulatory responsibilities.
- b. It shall advise the Board of Directors, of the overall current and future risk appetite, oversee senior management's adherence to the risk appetite statement.
- c. Ensure alignment of risk management objectives with overall business strategies and performance goals.
- d. Report on the state of the risk culture of the Bank by developing and overseeing the risk management programs of the Bank which include the following:
  - (1) Oversee the Bank's risk management framework.
    - i. The Committee shall oversee the enterprise risk management framework and ensure periodic review of the effectiveness of the risk management systems and recovery plans;
    - ii. Ensure that corrective actions are promptly implemented to address risk management concerns.

- (2) Oversee adherence to risk appetite.
  - i. The Committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite;
  - ii. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies and procedures relating to risk management and control, and performance of management among others.
- (3) Oversee the risk management function and approval of proposals regarding the Bank's enterprise wide policies, procedures and adoption of best practices relative to asset and liability management, credit, market, interest rate, liquidity and business operations risks, among others, ensuring that:
  - i. Risk Management systems are in place;
  - ii. Limits/tolerance levels are observed;
  - iii. System of limits remain effective; and
  - iv. Immediate corrective actions are taken whenever limits are breached or whenever necessary.
- (4) Ensuring compliance to written policies and procedures relating to the management of risks throughout the Bank.

This shall include:

- i. Comprehensive risk management approach;
  - ii. Detailed structure of limits, guidelines and other parameters used to govern risk-taking units;
  - iii. Clear delineation of lines of responsibilities for managing risk;
  - iv. Adequate system for measuring risk; and
  - v. Effective internal controls and a comprehensive risk reporting process.
- (5) Responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversee the risk taking activities of the Bank; and
- (6) Oversee the continuing education program to enhance its members' understanding of relevant regulatory and banking industry issues.

**5. Authority**

The RISKCOM shall exercise authority over matters within the scope of its functions and responsibilities. It is empowered to:

- a. Approve the risk management program prepared by Risk Management Group (RMG);
- b. Exercise functional supervision over RMG. Administrative supervision of RMG shall be under the President and CEO;
- c. Serve as direct channel of communication to the Chief Risk Officer, Heads of Credit Risk Management Department (CRMD), Market & Liquidity Risk Management Department (MLRMD) and Operational Risk Management Department (ORMD), and Information Security and Technology Risk Management Department (ISTRMD);
- d. Endorse the manpower complement, organizational structure and leveling of positions of the RMG consistent with the Bank's organizational policies and manpower guidelines;
- e. Authorize investigations or verifications into any risk-related matters or obtain any information of the Bank within the Committee's scope of responsibilities;
- f. Approves and endorse to the BOD risk management policies, procedures, strategies and risk limits and require implementation of Committee instructions and recommendations;
- g. Obtain advice and assistance from independent professional advisors to assist in carrying out its responsibilities as set forth in this Charter; and
- h. Approve and endorse to the Board of Directors the Bank's Internal Capital Adequacy Assessment Process (ICAAP) and Recovery Plan Annual Document.

**6. Duties and Responsibilities**

- a. Core Duties and Responsibilities

The RISKCOM shall perform the following core duties and responsibilities:

1. Identify and Evaluate Exposures. The RISKCOM shall

- a) Assess the probability of each risk becoming reality and shall estimate its possible effect and cost with priority on those risks that are most likely to occur and are costly when they happen.
  - b) Identify and assess the external risks that may affect the business plans and directions of the bank.
2. Develop Risk Management Strategies. The RISKCOM shall
- a) Develop a written plan defining the strategies for managing and controlling the major risks.
  - b) Identify practical strategies to reduce the chance of harm and failure or minimize losses if the risks become real.
3. Oversee the implementation of the Risk Management Framework. The RISKCOM shall:
- a) Communicate the risk management framework and loss control procedures to affected parties; and
  - b) Conduct regular discussions on the Bank's current risk exposure based on regular management reports and assess how the concerned units or offices manage / mitigate these risks.
4. Review and Revise the Risk Management Framework, as Needed. The RISKCOM shall
- a) Review and evaluate the steps that management has taken to monitor and control risk exposures to ensure its continued relevance, comprehensiveness and effectiveness;
  - b) Revisit strategies, look for new and emerging or changing exposures and stay abreast of developments that might affect the likelihood of harm or loss to the Bank;
  - c) Ensure that the risk infrastructure and operating policies are congruent with corporate policies on prudent risk management, and conform to regulatory, industry and technological standards, trends and best practices.
5. Report regularly to the Board of Directors the Bank's overall risk exposure, actions taken to manage / mitigate the risks and recommend further actions or plans as necessary.

6. Review and evaluate the Bank's annual Internal Capital Adequacy Assessment Process (ICAAP) and endorse to the Board for approval;
7. Oversee the implementation of the Bank's Business Continuity Program which involves the creation and promotion of an organization-wide culture that places high priority on business continuity;
8. Approve, review and update the RISKCOM Charter whenever there are significant changes therein; and
9. Oversee Senior Management's adherence to the risk appetite statement.

b. Specific Duties and Responsibilities

The RISKCOM shall perform the following specific duties and responsibilities:

1. The RISKCOM shall meet with, request/gather (or compel submission, in proper cases), receive and evaluate information from management and appropriate sources and act or endorse for approval of the Board of Directors, or approve proposals in accordance with its core duties and responsibilities on the following items relating to:

a) Asset and Liability Management

- Fiduciary and asset management activities, including oversight structure for fiduciary activities, general policies and reports;
- Capital allocation methodology;
- Capital levels; and
- Status of the investments and securities portfolio and end-user derivatives portfolio, including performance, appreciation or depreciation profile and accounts;

b) Liquidity Risk

- Liquidity position and liquidity gaps;
- Bank's strategic direction and tolerance for liquidity risk;
- Liquidity risk limits and guidelines;
- Implementation of corrective action in instances of breaches in policies and procedures;



- Contingency plans for dealing with potential temporary and long-term liquidity disruptions; and
- Sufficiency of competent personnel, including internal audit staff, and adequate measurement systems to effectively manage liquidity risk

c) Interest Rate Risk in Banking Book (IRRBB)

- Overall interest rate risk profile; the nature and level of Bank's IRRBB exposure, its potential linkages with other major risks, the tools, models and processes used to manage it.
- Risk tolerance/risk limits/limit setting applied on a consolidated basis with risk appetite articulated in terms of earnings, economic value, or both;
- Interest rate risks monitoring through earnings and/or economic value-based methodologies; the sensitivity of earnings and capital under varying interest rate scenarios; and that the level of IRRBB is maintained within the intended risk appetite and supported by adequate capital.
- Strategies to hedge or manage and duly documented policies and procedures with respect to interest rate risk management
- Review, at least quarterly, timely and sufficiently detailed reports to allow it to understand and assess the performance in monitoring and controlling IRRBB.

d) Market Risk

- The nature and level of market risk profile; business strategies for the trading book and the market risk exposure resulting from the trading activities;
- Policies and procedures on market risk, risk measurement tools, models and methodologies used, limit structure, monitoring and control procedures among others;
- Risk tolerance/risk limits/limit setting; ensuring that the level of market risk is maintained within tolerance and at prudent levels, and supported by adequate capital.
- Trends in economy in general with a view of their impact on the Bank; information on the "Value-at-risk" calculation, back-testing results and sensitivity of exposure to risk factor movements, result of stress test and impact to earnings and capital.
- Information relating to compliance with both external and internal regulations regarding market risks.

## e) Credit Risk

- Policies and Procedures on credit risk;
- Comprehensive assessment of creditworthiness of all types of borrowers;
- Specific loan portfolios and/or industries;
- Non-performing assets and Real and Other Properties Acquired (ROPA) by the Bank, charge-off level and adequacy of the allowance for loan and lease losses;
- Bank's limits on lending, such as industry concentration limits and investing limits; and
- Information relating to compliance with both external and internal regulations regarding credit risks

## f) Operational Risk

- Policies and procedures on operational risk matters (people, process, systems and events including legal risk, information technology, information security and cyber risks);
- Management reports relating to operational issues;
- Awareness on proper risk culture and how risks should be addressed; and
- Information relating to compliance with both external and internal regulations regarding operational risks.
- Implementation of the Bank's Business Continuity Program.

## g) Enterprise-wide risks

- Emerging risks
  - Reputational Risks
  - Consumer Protection Risks
  - Environmental and Social Risks
  - Other risks
2. Promote an enterprise-wide risk culture that requires and encourages the highest standards of ethical behavior by risk management overseers and establish ownership of risks by authorized risk takers;
  3. Monitor and evaluate the independence of risk management functions throughout the Bank;
  4. Monitor effectiveness of risk management functions, regularly updating the design and operating effectiveness of such controls;

5. Ensure that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline;
6. Review issues raised by internal audit that impact on risk management framework;
7. Meet with, request the submission of and evaluate information from the Management Committee and other committees of the Bank; and perform/approve the necessary actions/proposals as it deems appropriate, regarding the scope of its work, significant findings, together with the actions and responses of management in audit exceptions noted;
8. Oversee the management of new and emerging risks rather than risk in past transactions;
9. Recognize those risks and institute contingency plans to mitigate said risks;
10. Provide regular periodic reports to the Board of Directors pertaining to the Bank's overall risk exposure and actions taken to reduce the risks;
11. Encourage the professional development and training of personnel engaged in both risk oversight and risk-taking activities; and
12. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board of Directors for approval.

## **7. Meetings and Procedures**

- a. The RISKCOM shall establish its own rules of procedures consistent with the Bank's Charter and this Charter;
- b. The RISKCOM shall meet monthly or as often as it considers necessary and appropriate.
- c. More than 50% of the RISKCOM members shall be present to form a quorum.
- d. An annual calendar shall be prepared to plan meetings, address issues and align with planning and reporting cycles.

- e. A notice of meeting confirming the date, time and venue shall be forwarded to each member of the RISKCOM at least five (5) banking days before the date of its meeting.
- f. Information packages (i.e., agenda, minutes of the previous meeting and relevant supporting documents on the items to be discussed) shall be forwarded to each member of the RISKCOM at least three (3) calendar days before the date of its meeting.
- g. A designated Secretariat under the Risk Management Group (RMG) shall serve as the Secretariat of the RISKCOM and shall keep written minutes of its meetings.
- h. Participation of the RISKCOM members may likewise be in person or through modern technologies (virtual attendance) as deemed necessary under certain situations such as but not limited to teleconferencing and video conferencing as long as the Director who is taking part in said meetings can actively participate in the deliberations on matters taken up.
- i. The RISKCOM members shall physically or virtually participate in at least 50% of meetings of every year.
- j. Attendance and participation of the RISKCOM members in committee meeting shall be considered in the assessment of continuing fitness and propriety of each director as member of the RISKCOM.
- k. The RISKCOM may request any directors, officers or employees of the Bank, or other persons whose advice and counsel are sought by the latter to attend any meeting in order to provide information as it deemed necessary.

## **8. Independence**

The RISKCOM shall be an independent Committee and for that purpose it shall report directly to and hold on the authority of the Board of Directors.

## **C. TRUST COMMITTEE (TRUST COM)<sup>1</sup>**

### **1. Mandate**

The Land Bank of the Philippines – Trust Banking Group (TBG) is a government-owned universal bank authorized to perform trust functions committed to carrying out its business in accordance with all applicable

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<sup>1</sup> Charter of the LBP Trust Committee

laws, rules and regulations of regulatory authorities, internal policies and procedures. It shall pursue its operations with the highest ethical standards and principles of fidelity and prudence, observing skill, care, prudence and diligence in the management and administration of fiduciary assets. In compliance with the regulations of the Bangko Sentral ng Pilipinas, the Board of Directors shall ensure an appropriate degree of independence between the activities of the Bank and its Trust Banking Group.

## **2. Purpose**

The Trust Committee shall be appointed by the Board of Directors as its oversight committee on the fiduciary activities of its trust business. It shall ensure that the operation of its trust business are conducted in accordance with applicable laws, rules and regulations, internal policies and procedures, and with the required skill, care, prudence and diligence in the management and administration of fiduciary assets.

## **3. Composition and Qualifications**

The Trust Committee shall be composed of at least five (5) members constituted as follows:

- a. At least three (3) qualified Non-executive or Independent Directors or Qualified Independent professionals appointed by the Board of Directors;
- b. The President and CEO or any Senior Officer of the Bank; and
- c. The Trust Officer

No member of the Audit Committee shall be concurrently designated as a member of the Trust Committee

Directors, Trust Committee members and Officers charged with the administration of trust and other fiduciary activities shall, in addition to meeting the qualification standards prescribed for directors and officers of Banks, possess the necessary technical expertise and relevant experience in such business.

A Trust Committee members must possess the necessary technical expertise and relevant experience in trust activities which may be indicated by any of the following:

- At least one (1) year of actual experience in trust, other fiduciary business, or investment management activities, or

- At least three (3) years of professional experience in relevant field such as banking, finance, economics, law, and risk management; or
- Completion of at least ninety (90) training hours on trust, other fiduciary business, or investment management activities; or
- Completion of a relevant global or local professional certification program.

A Trust Committee member should be familiar with Philippine laws, rules and regulations on trust business, and uphold at all times ethical and good governance standards.

A Trust Committee member is expected to enhance his/her knowledge and skill by attending seminars and program certifications relevant to the trust business to effectively oversee the management and the growth of its business.

A Trust Officer should possess the necessary qualifications as the regulatory authorities may require, including any of the following:

- At least five (5) years of actual experience in trust operations; or
- At least three (3) years of actual experience in trust operations and must have (1) completed at least ninety (90) training hours in trust, other fiduciary business or investment management activities acceptable to the BSP, or (2) completed a relevant global or local professional certification program; or
- At least five (5) years of actual experience as an officer of a bank/non-bank financial intermediary and must have (1) completed at least ninety (90) training hours in trust, other fiduciary business or investment management activities acceptable to the BSP, or (2) completed a relevant global or local professional certification program.

#### **4. Meetings**

The Committee shall meet at least once every quarter or more frequently as the circumstances dictate. All Committee members or their authorized representative are expected to attend the meeting in person or through electronic means allowed by the Bangko Sentral ng Pilipinas (BSP); provided, that the said authorized representatives possess the same qualifications as required by the BSP.

A quorum will comprise of a majority of the existing Trust Committee members.

The Secretariat shall notify the Trust Committee members and may invite members of the management, counsel, or external auditors to attend meetings and provide information or reports on any matter pertinent to the

agenda. The agenda and briefing materials will be provided to the Trust Committee members within a reasonable period in advance of each meeting.

The Trust Committee shall submit the minutes of all its meetings and other necessary reports to the Board of Directors for notation, confirmation or approval, as the case may be.

## **5. Responsibilities of Administration**

The Trust Committee, duly constituted and authorized by the Board of Directors, shall perform its responsibility for overseeing the fiduciary activities of the Bank in accordance with its authority. In the discharge of its function, it shall:

- a. Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices;
- b. Ensure that policies and procedures that translate the Board's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;
- c. Monitor the implementation of stringent controls for the prudent management of fiduciary assets and its appropriate administration; maintaining adequate books, records and files for each account;
- d. Oversee the implementation of the risk management framework and ensure that internal controls are in place relative to the fiduciary activities;
- e. Adopt an appropriate organizational structure/staffing pattern and operating budget that shall enable TBG to efficiently carry out its functions and ensure proper and continuous training for its officers and personnel considering the growing sophistication and complexity in trust business and changes in the financial market environment;
- f. Oversee and evaluate the performance of the Trust Officer and of the Trust operations with regard to business objectives and strategies, compliance and risk monitoring and management, requiring periodic reports on the different areas of responsibility;
- g. Require the review of trust and other fiduciary accounts at least once every three (3) years or as needed depending on the nature of the account, to determine the advisability of retaining or disposing of the trust or fiduciary assets; and whether the account is being managed in accordance with the instrument creating the trust or other fiduciary

relationship. For this purpose, the Trust Committee shall meet whenever necessary and keep minutes of its actions and make periodic reports thereon to the Board;

- h. Review reports submitted by internal and external auditors and regulatory agencies, and deliberate on major exceptions or non-compliance with existing laws, rules and regulations, policies and procedures and act on appropriate recommendations;
- i. Ensure that the TBG is taking appropriate measures to address all regulatory requirements under applicable laws, rules and regulations and that plans and actions are taken to correct reported conditions and accomplish satisfactory disposition of findings;
- j. Review and approve the plans and program of activities of the Trust Banking Group; and,
- k. Regularly report to BOD on matters arising from fiduciary activities.

Particularly, the Trust Committee shall oversee the performance of the Trust Officer who is vested with the function and responsibility of managing the day-to-day fiduciary activities. The Trust Officer shall perform the following functions, among others:

- a. Ensure adherence to the basic standards in the administration of trust, other fiduciary and investment management accounts in accordance with applicable laws, rules and regulations and policies and procedures;
- b. Develop and implement relevant policies and procedures on fiduciary activities;
- c. Observe sound risk management practices and maintain necessary controls to protect assets under custody and held in trust or other fiduciary capacity;
- d. Carry out investment and other fiduciary activities in accordance with agreements with clients and parameters set by the Trust Committee as approved by the Board of Directors;
- e. Report regularly to the Trust Committee on business performance and other matters requiring its attention;
- f. Maintain adequate books, records and files for each trust or other fiduciary account and provide timely and regular disclosures to clients on the status of their account; and,



- g. Submit periodic reports to regulatory agencies on the conduct of trust operations.

## **6. Charter Review**

The Committee shall review and reassess the adequacy of the Trust Committee's Charter annually and recommend to the Board necessary changes to the Charter.

## **D. CORPORATE GOVERNANCE COMMITTEE (CG COM)<sup>1</sup>**

### **1. Composition**

The CG Com shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. The members shall possess a range of expertise as well as adequate knowledge of the Bank's corporate and operational structure and its workings.

Designated members of the CG Com who are ex-officio members of the Board of Directors may be represented by their respective alternates to the committee.

### **2. Duties and Functions**

The Corporate Governance Committee (CG Com) shall have the following duties and functions:

- a. To review and recommend the organizational structure of the Bank and its units;
- b. To review and evaluate the qualification standards for all positions in the Bank;
- c. To review and recommend the selection/promotion of the officers as endorsed by the Selection Board II;
- d. To ensure the Board's effectiveness and due observance of corporate governance principles and guidelines;
- e. To oversee the periodic performance evaluation of the Board and its committees and executive management;

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<sup>1</sup> Charter of the LBP Corporate Governance Committee

- f. To conduct an annual self-evaluation of its performance;
- g. To decide whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation);
- h. To adopt, propose and recommend to the Board such internal guidelines to address the competing time commitments that are faced when directors and other Bank officers serve on multiple boards;
- i. To study and recommend to the Board such policies regarding the continuing education of the Directors, assignment to Board Committees, succession plan for the senior officers and their remuneration commensurate with corporate and individual performance;
- j. To decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria to be approved by the Board;
- k. To study and recommend policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms;
- l. To promote transparency and operational responsibility and accountability in a manner consistent with the Bank's vision, mission, strategic intent and operating values.
- m. To oversee the continuing education program for the board of directors. The committee shall ensure allocation of sufficient time, budget, and other resources for the continuing education of directors, and draw on external expertise as needed. The committee shall establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors.<sup>1</sup>
- n. To oversee the design and operation of the remuneration and other incentives policy. The committee shall ensure that the remuneration and other incentives policy is aligned with the operating and risk culture, as well as with the strategic and financial interest of the OPS. This policy shall preserve the interest of the payment system where the OPS operates. and comply with legal and regulatory requirements.<sup>2</sup>

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<sup>1</sup> BSP Circular Nos. 969, S.2017 and 1127, S. 2021

<sup>2</sup> *Ibid.*

**3. Meetings and Procedure**

- a. The Chair, or in his/her absence, the Vice Chair, shall be the presiding officer during Committee meetings. In their absence, the members present shall designate an acting presiding officer from among themselves.
- b. The Committee shall meet quarterly or as often as it is considered necessary and appropriate. The Committee Chair or the majority of its members may call a special meeting when deemed necessary.
- c. The presence of three (3) members will constitute a quorum in all meetings of the Committee. They shall be entitled to the payment of per diems.
- d. The Committee shall invite resource persons including but not limited to the Bank's directors, officers or employees, during its regular or special meetings to render a report or to clarify relevant issues and matters confronting the Committee or whose advice and/or expertise shall be sought to provide relevant information as it may deem necessary and appropriate in the exercise of its functions.
- e. The Committee shall report to the LANDBANK Board of Directors the minutes of each meeting, including the matters discussed and actions taken during said meetings.
- f. The administrative requirements of the Committee shall be provided and handled by the Office of the Corporate Secretary, which shall serve as the Secretariat and shall keep the written minutes of its meetings.

**4. Independence**

The Corporate Governance Committee shall be an independent committee and shall report directly only to and hold office on the authority of the Board of Directors.

**5. Review of the Charter**

The Committee shall review, assess and update the Charter at least annually and recommend any proposed change(s) subject to the approval of the Board of Directors.

## E. RELATED PARTY TRANSACTIONS COMMITTEE (RPT COM) <sup>1</sup>

### 1. Overview

This Charter shall ensure compliance to the requirements of the BSP Circular No. 895, Series of 2015 re: Guidelines on Related Party Transactions that directs the Board of Directors to constitute a Related Party Transactions Committee and BSP Circular No. 969, Series of 2017 re: Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions, subject to Executive Order No. 112, Series of 2019 titled “Guidelines on Related Party Transactions”, except those covered under the exceptions of the Republic Act No. 9184, otherwise known as the “Government Procurement Reform Act”.

### 2. Purpose

The Related Party Transactions Committee shall evaluate material RPTs to ensure that RPTs are at arm’s length basis (the standard under which unrelated parties, each acting in his or her own best interest, would carry out a particular transactions).

### 3. Composition

1. The Related Party Transactions Committee shall be composed of at least three (3) members of the Board of Directors, two (2) of whom, shall be independent directors, including the Chairperson. The Committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members. In case a member has conflict of interest in a particular RPT, he/she should refrain from evaluating that particular transaction.
2. The members of the Board, vetting/approving authorities and management shall disclose to the BOD whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting the Bank.
3. The respective Heads of Compliance Management Group, Risk Management Group and Internal Audit Group shall sit as resource persons in said Committee.

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<sup>1</sup> Charter of the LBP Related Party Transactions Committee

#### 4. Meetings and Procedures

- a. The Related Party Transactions Committee shall meet at least four times a year, with authority to convene for special meetings, as the circumstances require.
- b. Attendance of at least a majority of all the member of the Committee shall constitute a quorum for the Committee to transact business in a meeting to be convened. No business shall be transacted at any meeting unless a quorum is present.
- c. The Chairperson shall be the presiding officer during committee meetings. In the absence of the Chairperson, the Vice-Chairperson shall preside in the meeting of the Committee.
- d. The Office of the Corporate Secretary shall serve as the Secretariat of the Committee. The Secretariat shall maintain and safe keep all final decisions of the BOD on material RPTs and limit breaches, including important facts about the nature, terms, conditions, original and outstanding individual and aggregate balances, justification and other details that shall allow stakeholders to make informed judgment as to the reasonableness of the transaction, duly reflected in the minutes of the meetings and shall be readily available for audit and monitoring purposes. The Minutes of the Meetings as well as the resolutions shall be reported to and noted by the LBP Board of Directors.
- e. The Committee, if deemed necessary, may invite members of the Bank's management to attend the Committee meetings to provide relevant information or data necessary for the matters for discussion during the Committee meeting.

#### 5. Responsibilities/Functions

The Related Party Transactions Committee shall have the following responsibilities:

- a. Evaluate on an ongoing basis existing relations between and among business and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationship with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisors.
- b. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar

transactions with non-related parties under similar circumstances and that no Bank resources are misappropriated or misapplied, and to determine any potential risk issues that may arise as a result or in connection with the transaction.

- c. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Bank's RPT exposures, and policies on conflicts of interest or potential conflicts of interest.
- d. Report to the Board of Directors on a quarterly basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- e. Ensure that related parties transactions, including write-off of exposures, are subject to periodic independent review or audit process
- f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures; and
- g. Perform other activities which the Committee deems appropriate as necessary and desirable for the performance of its duties and functions under this Charter, as well such other responsibilities which the Board may assign to the Committee from time to time.

## **6. Other Responsibilities**

- a. The RPT Committee, through the Chairperson, shall regularly report to the Board of Directors its activities, issues and related recommendations.
- b. Obtain any information and/or training needed to enhance the members' understanding/competence.
- c. Review and update this Charter at least annually or whenever there are significant changes, and endorse the same to the Board for approval.
- d. Conduct annual self-assessment of the Committee's performance including its effectiveness and compliance with this Charter.

**7. Amendment**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board

**Recommendation 2.10****1. The Board ensures that the company has in place a sound Enterprise Risk Management (ERM) framework to effectively identify, monitor, assess and manage key business risks.**

LANDBANK's ERM process is articulated under the LANDBANK Volume 1 – Risk Governance Framework Manual. The Bank's ERM framework is articulated in the following chapters of Volume 1:

- Chapter 2: Risk Management Framework
- Chapter 3: Risk Management Structure
- Chapter 4: Integrated Risk Management Strategies

**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.**

Chapter 2 of Volume 1: Risk Management Framework provides the Bank's Risk Governance Framework which covers the responsibilities of BOD and Senior Management, including the three (3) levels of Risk Management: Strategic, Portfolio and Transactional level, all having different responsibilities in identifying, mitigating/controlling (setting RM Strategies) as well as monitoring and reporting risks. The Bank's Risk Governance Framework is also articulated in the Annual Report including its enterprise or group-wide RM implementation and oversight which includes all LBP Subsidiaries.

In the information showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the Board was guided by the framework:

- The Board delegates the oversight responsibility on the establishment of a sound enterprise risk management framework to the Risk Oversight Committee or RiskCom, a Board-level committee. As embodied in the board-approved RiskCom Charter, the RiskCom shall be primarily responsible for:
  - a. Fulfilling statutory, fiduciary and regulatory responsibilities.
  - b. Advising the Board of Directors, of the overall current and future risk appetite, oversee senior management's adherence to the risk appetite statement.
  - c. Ensuring the alignment of risk management objectives with overall business strategies and performance goals.
  - d. Reporting the state of the risk culture of the Bank by developing and overseeing the risk management programs of the Bank which include the following:
    - 1) Oversee the Bank's risk management framework.
      - The Committee shall oversee the enterprise risk management framework and ensure periodic review of the effectiveness of the risk management systems and recovery plans;
      - Ensure that corrective actions are promptly implemented to address risk management concerns.
    - 2) Oversee adherence to risk appetite.
      - The Committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite;
      - It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies and procedures relating to risk management and control, and performance of management among others.



- 3) Oversee the risk management function and approval of proposals regarding the Bank's enterprise wide policies, procedures and adoption of best practices relative to asset and liability management, credit, market, interest rate, liquidity and business operations risks, among others, ensuring that:
  - Risk Management systems are in place;
  - Limits/tolerance levels are observed;
  - System of limits remain effective; and
  - Immediate corrective actions are taken whenever limits are breached or whenever necessary.
- 4) Ensuring compliance to written policies and procedures relating to the management of risks throughout the Bank.  
This shall include:
  - Comprehensive risk management approach;
  - Detailed structure of limits, guidelines and other parameters used to govern risk-taking units;
  - Clear delineation of lines of responsibilities for managing risk;
  - Adequate system for measuring risk; and
  - Effective internal controls and a comprehensive risk reporting process.
- 5) Responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversee the risk taking activities of the Bank; and
- 6) Oversee the continuing education program to enhance its members' understanding of relevant regulatory and banking industry issues.

The Risk Management Framework serves as a structured approach to identify, assess, and manage risks across various levels of the Bank. It provides guidance to the Board through the RiskCom in understanding the risk landscape, including risks associated with specific business units or lines of business, as well as risks that affect the entire enterprise. By utilizing this framework, the RiskCom can gain insights into the organization's risk profile and evaluate the effectiveness of existing risk management strategies. This allows for informed decision-making and the implementation of measures to mitigate risks and enhance resilience.

Moreover, the Bank annually conducts its internal capital adequacy assessment process which evaluates its materials exposures arising from its core businesses and operating environment to determine its capital requirements in accordance with regulatory policies. This Bank's capital assessment exercise ensures that the Bank would have enough capital to cover losses arising from possible adverse scenarios that could affect its financial viability and is documented under the Internal Capital Adequacy Assessment Process which is submitted annually to the Bangko Sentral ng Pilipinas. Historically, the Bank has not breached the minimum capital requirement set by the regulators despite its continuing business expansion by providing financial intervention to farmers and fisherfolks in the countryside.

The Bank's continuous business operations are also assured in case of various calamities or catastrophes and other adverse scenarios that may affect its operations as it implements a Business Continuity Management (BCM) system. The Bank's BCM is an advanced planning and preparation to maintain business functions or quick resumption of operations after a disaster occurs. As part of the BCM, every Business Unit of the Bank have their own Business Continuity Plan which identifies possible adverse events or disaster that may occur in their respective areas of operation and lists the mitigating activities that they will

implement in case such disasters occur to reduce the adverse impact of these scenarios to their respective operations.

The Bank also has its internal Crisis Management Plan which documents potential crisis scenarios and the corresponding action plans and procedures to deal with these crises. As an example, during the aftermath of super typhoon "Yolanda" that devastated the Visayas region, LANDBANK was the first bank to rush to the area to provide mobile ATM cash machines to serve the banking needs of the affected residents/survivors.

### **Recommendation 12.1**

#### **The company has an adequate and effective enterprise risk management framework in the conduct of its business.**

The Bank adopted the Committee of Sponsoring Organizations for the Treadway Commission (COSO)<sup>1</sup> international ERM framework.

1. Documents containing information on the Bank's RM processes and procedures:
  - Risk Management Manual
  - Various risk management policies and guidelines on:
    - information security and technology risks
    - credit risks
    - operational risks (people, process, event, legal and IT risks)
    - treasury risks (market, liquidity, interest rate in the banking book, counterparty credit)
    - other risks
  - Operations Manual of the following departments/units under the Risk Management Group which implements/performs the Bank's risk management function which presents in detail how the risk management activities:
    - Credit Risk Management Department
    - Operational Risk Management Department
    - Market and Liquidity Risk Management Department
    - Information Security and Technology Risk Management Department
2. Current risks
  - Global risks (trade tensions, contagion, etc)
  - Cyber security threats
  - Macroeconomic risks (inflation, fiscal deficit, etc.)
  - Money-laundering risk
3. Frequency of review of the ERM framework:
  - Continuously/as the need arises

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<sup>1</sup> COSO, the Committee of Sponsoring Organizations of the Treadway Commission, is a collaboration of five professional bodies dedicated to providing guidance on enterprise risk management, internal control, and fraud deterrence. Established in 1985, COSO's frameworks, including the renowned Internal Control Integrated Framework, are widely adopted internationally, aiming to enhance organizational performance and governance.

## DIRECTOR'S ATTENDANCE TO BOARD AND BOARD-LEVEL COMMITTEE MEETINGS (CY 2023)

	Name of Directors	Board Meeting		Corporate Governance Committee		Audit and Compliance Committee		Risk Oversight Committee		Trust Committee		Related Party Transactions Committee	
		(24 Meetings)	%	(6 Meetings)	%	(12 Meetings)	%	(14 Meetings)	%	(4 Meetings)	%	(7 Meetings)	%
		Attended	%	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%
1	Benjamin E. Diokno	22	91.67	N/A	-	N/A	-	14	100.00	4	100.00	N/A	-
2	Conrado M. Estrella	22	91.67	N/A	-	N/A	-	N/A	-	3	75.00	N/A	-
3	Bienvenido E. Laguesma	24	100.00	N/A	-	N/A	-	N/A	-	4	100.00	N/A	-
4	Francisco P. Tiu Laurel Jr. <sup>/1</sup>	4 out of 4 <sup>/7</sup>	100.00	N/A	-	N/A	-	1 out of 1 <sup>/7</sup>	100.00	N/A	-	N/A	-
5	Lynette V. Ortiz <sup>/2</sup>	15 out of 15	100.00	N/A	-	N/A	-	N/A	-	3 out of 3	100.00	N/A	-
6	Nancy D. Irlanda	23 out of 23 <sup>/8</sup>	100.00	6	100.00	N/A	-	14	100.00	4	100.00	6 out of 6 <sup>/8</sup>	100.00
7	Virginia N. Orogo <sup>/3</sup>	20 out of 20	100.00	5 out of 5	100.00	10 out of 10	100.00	12 out of 12	100.00	N/A	-	5 out of 5	100.00
8	David D. Erro <sup>/3</sup>	20 out of 20	100.00	5 out of 5	100.00	10 out of 10	100.00	N/A	-	N/A	-	5 out of 5	100.00
9	Ferdinand R. Marcos Jr. <sup>/4</sup>	14 out of 18 <sup>/9</sup>	73.68	N/A	-	N/A	-	5 out of 7 <sup>/10</sup>	71.43	N/A	-	N/A	-
10	Cecilia C. Borromeo <sup>/5</sup>	9 out of 9	100.00	N/A	-	N/A	-	N/A	-	1 out of 1	100.00	N/A	-
11	Virgilio D. Robes <sup>/6</sup>	4 out of 4	100.00	1 out of 1	100.00	2 out of 2	100.00	N/A	-	N/A	-	2 out of 2	100.00
12	Jaime L. Miralles <sup>/6</sup>	4 out of 4	100.00	1 out of 1	100.00	2 out of 2	100.00	2 out of 2	100.00	N/A	-	2 out of 2	100.00
<b>Total Number of Meetings Held During the Year : 67</b>													

<sup>/1</sup> Assumed the position effective November 5, 2023<sup>/2</sup> Assumed the position effective May 24, 2023<sup>/3</sup> Assumed the position effective February 27, 2023<sup>/4</sup> Term ended effective November 4, 2023<sup>/5</sup> Term ended effective May 23, 2023<sup>/6</sup> Term ended effective February 26, 2023<sup>/7</sup> On Official Business (OB) on December 6, 2023<sup>/8</sup> On Official Business (OB) on January 12, 2023<sup>/9</sup> On Official Business (OB) on June 29, 2023<sup>/10</sup> On Official Business (OB) on February 22, March 15, June 13, June 29 and September 27, 2023

## CHAPTER 5

### INTERLOCKING DIRECTORSHIPS AND/OR OFFICERSHIPS<sup>1</sup>

In the recognition of effective sharing of managerial and technical expertise across institutions promotes economies of scale and organizational synergies, as well as broaden perspectives in strategy formulation and risk management, Banks are expected to have an effective governance process in place to ensure that the benefits of having directors or officers with interlocking positions in other entities are optimized. The concerned directors or officers shall devote sufficient time and attention necessary to effectively carry out their duties and responsibilities, and that excessive concentration of economic power, unfair competitive advantage, abusive practices, and conflict of interest situations are prevented.

#### A. RESPONSIBILITIES OF BOARD OF DIRECTORS

Consistent with the standards and principles set forth in the corporate governance guidelines for BSFIs under Sec. 132 of the BSP MORB, the board of directors of shall:

1. Approve policy on having directors or officers with interlocking positions in other entities, which shall cover, among others, the following:
  - a. Cases and the corresponding rationale when the Bank shall allow/appoint directors or officers to have/with interlocking positions in other entities:
    - the sectors or industries of the entities where the directors or officers may assume other positions;
    - interlocking positions that may be held by directors or officers; and
    - limit on the number of entities where the director or officer may hold interlocking positions.

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<sup>1</sup> BSP Circular 1129, S. 2021

*Provided*, That the limit to be set shall be consistent with the Qualifications of a director (Independent and Executive directors) under Sec. 132 of the MORB.

- b. Measures to avoid excessive concentration of economic power, unfair competitive advantage and abusive practices. The policy shall also include the measures in handling conflict of interest situations;
  - c. Requirement to obtain approval from the board of directors or the appropriate authority designated in the Bank prior to acceptance of interlocking directorship/officership positions in other entities;
  - d. Requirement to obtain proof of disclosure to and consent from all the involved entities on interlocking officership positions held outside the banking group/conglomerate: and
  - e. Courses of action in case conflict of interest arise or when the performance of the director or officer has been affected by the interlocking positions held.
2. Ensure effective governance process on the selection and appointment of directors and/or officers who are holding interlocking positions in other entities and in approving the acceptance of directors/officers of interlocking positions in other entities. The governance process shall cover continuous assessment of potential conflict of interest in the entities involved as well as the interlocking positions held.
  3. Ensure that directors and/or officers holding interlocking positions in other entities effectively carry out their duties and responsibilities in the Bank. It shall be the responsibility of the board of directors to conduct a periodic performance evaluation of the concerned directors and officers measured against agreed upon standards for the position.

The board of directors shall immediately take appropriate action should the results of performance evaluation reflect that the performance of the function in the Bank has been adversely affected by the interlocking positions held by the director and/or officer.

4. Ensure that the control functions (i.e., risk management, compliance, and internal audit) cover the assessment of adherence to internal policies and regulatory expectations on interlocking positions held by the directors and/or officers.

For the interlocking positions held by heads of control functions, the assessment shall be performed by the board of directors or board-level committee to whom they functionally report to.

**B. FACTORS TO CONSIDER ON INTERLOCKING POSITIONS**

The Bank shall observe the following rules for interlocking positions held by directors and/or officers:

1. *Interlocking directorships.* Interlocking directorships in BSFIs are allowed except in cases involving banks belonging to the same category.

In this respect, interlocking directorships in banks belonging to the same category shall only be allowed if the banks:

- a. are part of the same banking group; or
- b. have different business models and are serving different markets or clients.

For purposes of determining interlocking directorship, a director and his/her spouse, whether legitimate or common-law, shall be considered as one (1) and the same person.

2. *Interlocking directorships and officerships.* Interlocking directorships and officerships are allowed provided that the positions do not pose conflict of interests. For this purpose, the appointment should be consistent with the policy adopted by the Bank.

3. *Interlocking officerships.* As a general rule, interlocking officerships shall not be allowed except:

- a. Held in the same capacity within a banking group as:
  - i. Corporate Secretary;
  - ii. Security Officer;
  - iii. Chief Risk Officer, Chief Compliance Officer, Head of Internal Audit; or
  - iv. other positions performing similar functions as those in i to iii

*Provided, That:* The assumption of interlocking officerships is consistent with the enterprise risk management approach of the Bank and the banking group where the concerned entities belong.

- b. As corporate secretary or assistant corporate secretary between/among entities, which are not part of the same banking group/conglomerate.

*Provided, that:*

- i. Proof of disclosure to and consent from all of the involved entities on the interlocking officerships are obtained; and
  - ii. The positions do not pose conflict of interest and that the officer holding interlocking positions will still be able to devote sufficient time and attention to effectively carry out his/her duties and responsibilities.
4. Comment with Section 6 of Presidential Decree No. 129, as amended by Batas Pambansa Big. 66, entitled "Governing the Establishment, Operation and Regulation of Investment Houses," the BSP hereby allows interlocking directorship and officership between a bank and an investment house subject to the above requirements and other applicable laws and regulations.

*Provided, however,* That interlocking officerships between a bank and an investment house may only be allowed where the majority or all of the equity of the investment house is owned by the bank.

### **C. APPROVAL OF INTERLOCKING POSITIONS**

The board of directors or the appropriate authority designated in the Bank shall approve the interlocking positions held by its directors and officers.

The documents supporting the approval shall reflect the assessment done by the approving authority consistent with the policy adopted in the Bank and the expectations in the above regulations.

### **D. REPORTS**

The Bank shall keep a complete record of all interlocking positions of its directors and officers, and documentation of the assessments conducted by the board of directors or appropriate authority designated in the Bank on existing and new interlocking positions, and shall maintain a system of updating said records which shall be made available during examination by the BSP or when required for submission for verification.

### **E. SECONDMENT**

The Bank may second or transfer its employee to another entity for temporary assignment: *Provided,* That it has a board-approved policy on secondment and that the transfer of the employee is approved by the appropriate authority of the Bank: *Provided, further,* That the secondee or the transferred employee shall relinquish all his duties, responsibilities, and authorities in the Bank, and shall receive remuneration and other incentives from the host entity.

**F. REPRESENTATIVES OF GOVERNMENT**

The above provisions shall apply to representatives of the government or government-owned or controlled entities appointed as directors or officers in BSFIs, unless otherwise covered under existing laws.



## CHAPTER 4

### THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND OTHER EXECUTIVE OFFICERS

The Chief Executive of the Bank shall be the President, who shall be chosen and may be removed by the Board of Directors with the advice and consent of the President of the Philippines.

Executive Officer refers to the CEO or whoever is the highest ranking officer in the Bank, and such other corporate officer of the Bank as expressly provided for in its Charter, such as the Vice-President, Chief Financial Officer, Chief Investment Officer, and General Manager. As distinguished from Board Officers, Executive Officers primarily form part of the Management of the Bank.<sup>1</sup>

#### A. DUTIES AND POWERS OF THE PRESIDENT AND CEO

1. The President and CEO of the Bank shall exercise general supervision and authority over the regular course of business, affairs, and property of LANDBANK, and over its employees and officers.<sup>2</sup>
2. Executes the policies, measures, orders and resolutions promulgated by the Board of Directors and supervise and administer the operations of the Bank.
3. Shall be the legal representative of the Bank and shall make all contracts and enter into all necessary obligations on behalf of the Bank.
4. Submits to the Board as soon as possible after the close of each fiscal year, a complete report of the operations of the Bank for the preceding year, and the state of its affairs.<sup>3</sup>

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<sup>1</sup> GCG MC No. 2012-07

<sup>2</sup> GCG MC No. 2012-07

<sup>3</sup> *Ibid.*

5. Reports periodically to the Board of Directors the main facts concerning the operations of the Bank and recommend changes of policies as may be necessary.
6. Shall furnish, upon the request of the President of the Philippines, any information in his/her possession regarding the operations of the Bank.
7. Implements the Bank's strategic plan on the direction of the business;
8. Communicates and implements the Bank's vision, mission, values and overall strategy as formulated by the board and promotes any organization or stakeholder change in accordance with the same;
9. Oversees the operations of the Bank and manages human and financial resources in accordance with the strategic plan;
10. Has a good working knowledge of the Bank's industry and market and keeps up-to-date with its core business purpose;
11. Directs, evaluates and guides the work of the key officers of the Bank;
12. Manages the Bank's resources prudently and ensures a proper balance of the same;
13. Provides the Board with timely information and interfaces between the Board and the employees;
14. Builds the corporate culture and motivates the employees of the Bank;
15. Serves as the link between internal operations and external stakeholders; and
16. Performs such other duties and responsibilities as the Board may impose upon him.

The President and CEO shall be assisted by senior Bank Officers as may be required and necessary, whose appointments and removal for cause shall be approved by the Board of Directors.

Chief Executive Officer (CEO). The CEO shall be the overall-in-charge for the management of the business and affairs, including the license as an OPS, of the Bank governed by the strategic direction and risk appetite approved by the board of directors. He/She shall be primarily accountable to the board of directors in

championing the desired conduct and behavior, implementing strategies while ensuring the payment system's safety, efficiency, and reliability, and promoting both long-term business and stakeholder interests.

## **B. OTHER EXECUTIVE OFFICERS<sup>1</sup>**

Subject to the provisions of the Bank's Charter and By-Laws, the Executive Officers shall be appointed by the Board.

### *1. Corporate Treasurer*

The Treasurer shall have charge of the funds, securities, receipts and disbursements of the Bank. Unless otherwise provided in the Charter or the By-laws, the Treasurer shall also have the following functions:

- a. Deposit or cause to be deposited all monies and other valuable effects in the name and to the credit of the Bank in compliance with applicable laws, rules and regulations;
- b. Regularly and at least quarterly render to the CEO or to the Board an account of the fund condition of funds of the Bank and all of his/her transactions as such;
- c. Ensure fund availability on a timely basis and at the most economical means;
- d. Optimize yields in temporary excess funds, but at the same time ensure the implementation of appropriate risk management measures over its resources;
- e. Provide relevant and timely financial market information;
- f. Perform such other responsibilities as the Board may impose.

### *2. Chief Finance Officer (CFO)*

The CFO, who may also be the Treasurer, shall be responsible for the following:

- a. Providing management with accurate, relevant, and timely operating and financial reports and analysis necessary for financial planning and strategy formulation, and monitoring actual implementation of budgets, plans and programs towards the achievement of corporate goals;

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<sup>1</sup> GCG MC No. 2012-07

- b. Maintaining the integrity of accounting records as the basis of the financial statements and reports provided to Management for decision-making and to government regulatory bodies in compliance with statutory requirements;
- c. Promoting investor and public confidence in the Bank by addressing the various information requirements of the investing public and ensuring that all other legal reportorial obligations to the concerned agencies are complied with;
- d. Strengthening internal controls by monitoring compliance with policies and recommending to Management appropriate actions and changes in systems and procedures in the exigencies of the service; and
- e. Performing such other responsibilities as the Board may impose.

### **C. QUALIFICATIONS OF EXECUTIVE OFFICERS**

No person shall be appointed to any executive position in the Bank unless he be of good moral character and of unquestionable integrity and responsibility and who is of recognized competence in the field of economics, agriculture, industry, law, banking and/or finance, and possessed of demonstrated administrative skill and ability.<sup>1</sup>

An officer must be fit and proper for the position he is being appointed to. In determining whether a person is fit and proper for a particular position, the following matters must be considered:<sup>2</sup>

- integrity/probity;
- education/training;
- possession of competencies relevant to the function such as knowledge and experience, skills and diligence; and
- concurrent positions in the same BSFI and interlocking positions in other entities that may pose conflict of interest.

### **D. COMPENSATION OF EXECUTIVE OFFICERS**

The Governance Commission for GOCCs has the power to recommend the fixing of salaries of the Executive Officers.<sup>3</sup>

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<sup>1</sup> LBP Charter

<sup>2</sup> BSP Circular 1129, S. 2021

<sup>3</sup> GOCC Governance Act of 2011

**Recommendation 6.1****Performance Assessment Program for the Board of Directors and Board-level Committees**

Performance evaluation of the Bank's Board of Directors is central to corporate governance. Self-assessment performance rating sheets as initially developed by the Institute of Corporate Directors (ICD) and continuously improved by the Corporate Governance Committee are disseminated yearly to evaluate the performance of the Board of Directors as a whole, Board-level Committees and individual members thereof. The results of the performance assessments are evaluated and deliberated upon annually by the Corporate Governance Committee in a duly constituted meeting.

The Bank encourages the continuous education of the Directors. One of the results of the performance evaluation is the identification of the direction of the policy for the continuing education of the Directors, in order to address certain areas of concern in the performance of the Directors, if any.

For CY 2023, the results of the Performance Rating System of the Board and Board-level committees were discussed and noted by the Corporate Governance Committee in a meeting held on February 05, 2024 (CGCom Resolution Nos. 24-020 to 24-025).

Attached are the templates of self-assessments conducted for the whole Board, the individual members and the Board-level Committees.

# Performance Rating System

Evaluation:

## Board of Directors

developed by:



for the exclusive use of:



This rating instrument is divided into four categories with corresponding weights.

### I. Board Functions and Responsibilities (30%)

The Board is a collegial body, conferred by law with original powers to decide on behalf of the Bank. It should act in the long-term interest of the Bank with fairness, accountability and transparency in an ethically and socially responsible manner. Broadly defined, the main functions of the Board are in the areas of: Strategy, Policy, Monitoring and Accountability.

### II. Board Structure (10%)

In order to carry out its functions, the Board should consider its composition, the need for qualified independent directors, the arrangements for recruiting such directors, their induction, training and tenure.

### III. Board Process (30%)

The Board should articulate a policy on its agenda of work and the process to get that work done. It is important to establish and record protocols especially on all the potentially controversial and difficult aspects of the ways in which the directors will work together in order to enhance teamwork and harmony.

### IV. Board Performance (30%)

The Board should have mechanisms that gauge the directors' abilities, willingness and commitment to contribute.

The final scores:	80% - 84.99%	acceptable
	85% - 94.99%	ideal
	95% -100.00%	superior

## Evaluation: Board of Directors

Evaluating the Board of Directors' performance is an important tool that allows you to go over the Board and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Board, please provide your answer on the rightmost column, on a scale of 1 to 5.

**1 – No, I strongly disagree. This is not a practice.**

**2 – No, but this is practiced once in a while / there are efforts to do so.**

**3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.**

**4 – Yes, I agree, but there is some room for improvement.**

**5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

### I. BOARD FUNCTIONS AND RESPONSIBILITIES (30%)

CHECKLIST	RATING				
	1	2	3	4	5
1. Has the Board formulated a corporate strategy for the Bank?					
2. Has the Board specified core values for the Bank?					
3. Has the Board formulated/reviewed the Mission Statement as a permanent reference to guide the Bank in strategy execution?					
4. Has the Board put forward/reviewed a Vision Statement, which articulates what the Bank sees itself becoming in the foreseeable future (3 to 5 years or any other realistic time frame)?					
5. Has the Board indicated its short list of strategic priorities the Bank must pursue?					
6. Has the Board ensured proper balance in its list of strategic priorities which also need to be interconnected with each other?					
7. Has the Board asked for clear targets including the set timelines of specific initiatives and action programs in support to the Bank's strategic priorities?					
8. Has the Board asked for clear measures by which to track progress in the Bank's pursuit of its strategic priorities?					
9. Does the Board set aside time for a strategic review so as to assess performance and possible progress in strategy execution?					
10. Is the Board proactive in formulating policies to direct management towards effective strategy execution?					
11. Has the Board formulated policies on corporate incentives, rewards and recognition?					
12. Is the annual performance rating system connected with strategy execution?					
13. Is the accountability system set up to secure the alignment of all groups, departments, and support units with the execution of the annual plans and corporate strategy?					
14. Is the Code of Ethics being observed?					
15. Is social responsibility embedded in the Bank's corporate culture?					
16. Is a culture of governance and responsibility being made to take root in the Bank through the annual performance rating system that ties individual contribution to strategy execution?					
17. Is the culture of governance and responsibility continuously being strengthened in the Bank?					
18. Does the Board undertake an annual performance evaluation of the President and CEO?					

## II. BOARD STRUCTURE (10%)

CHECKLIST	RATING				
	1	2	3	4	5
1. Does the Board have independent directors?					
2. Do members of the Board contribute proactively, positively and meaningfully to Board deliberations in the process of arriving at Board decisions?					
3. Have Board Committees (Audit Committee, Risk Management Committee, Corporate Governance Committee and Trust Committee) been set up, and are they functioning properly, at least by meeting regularly, following the written charters specified for their duties?					
4. Are members of the Board Committees independent in their actuations and contributions as they discharge their Committee duties?					
5. Is the Board effectively living up to its duties towards the shareholders of the Bank, the Philippine government?					
6. Is the Board properly organized to ensure that its duties towards other stakeholders are professionally and effectively discharged?					
7. Are qualified professionals appointed to key offices to assist the Board? (Corporate Secretary, Compliance Management, Risk Management and Internal Audit)					
8. Rate the diversity of the Board in terms of their educational attainment, work experience & disciplines, skills and expertise. 1 – insufficient 2 – needs improvement 3 – acceptable 4 – good 5 – excellent diversity					
9. Does the Board have the right mix of experience and background?					



### III. BOARD PROCESS (30%)

CHECKLIST	RATING				
	1	2	3	4	5
1. Does the Chair engage the participation of all members of the Board, particularly in getting them to contribute to strategy formulation and oversight of strategy execution?					
2. Does the Chair ensure for the President and CEO enough discretion so that management takes on the responsibility for executing strategy?					
3. Does the President and CEO keep the Board fully informed of progress and problems arising from strategy execution?					
4. Does the Board give the President and CEO sufficient direction but enough authority and responsibility to lead and manage the organization successfully?					
5. Does the President and CEO cascade the demands of corporate strategy down to the groups, departments, and support units which are required to formulate their own support strategies fully supportive of the priorities in the corporate strategy?					
6. Does the President and CEO require all heads of groups, departments and support units which are required to specify measures, targets and initiatives (by which they contribute to the achievement of corporate strategic priorities) through scorecards that are reported regularly, at least on a quarterly basis?					
7. Does the President and CEO measure performance mainly on the basis of those specific measures, targets and initiatives through scorecards that are reported regularly, at least on a quarterly basis?					
8. Are members of the Board given enough opportunity to engage in open dialogue so they would be part of the Board decision-making process?					
9. Does the Board conduct regular meetings twice a month?					
10. During meetings, is enough time being allocated to help the Board fulfill its core functions properly?					
11. Does the Corporate Secretary have attendance records of Board meetings?					
12. Do Board Committees meet regularly and their minutes of meeting regularly submitted and confirmed by the Board?					
13. Are the minutes of the meeting duly taken and show details about the deliberation, particularly positions of directors on key issues?					
14. Has the Board formally adopted a Board Protocol, which clearly spells out, among others, the functions of the Board, what is expected of them, and the duties and responsibilities of each individual director?					
15. Does the Board assess whether those functions are properly performed during performance review?					
16. Do directors have a right and a duty to bring to the attention of the Board any serious issues or material matters which are of concern to them?					
17. Does the Board have clear delegation of authority to senior management and regularly review management effectiveness?					
18. Does the Board have a clear communication process with senior management?					

CHECKLIST	RATING				
	1	2	3	4	5
19. Does the Board require the Bank subsidiaries to submit, at least quarterly, their accomplishments, targets, and annual plans and programs?					
20. Are the directors able to observe the delineation between Board and management responsibilities, separating themselves from management and operational issues, but exercising diligent oversight over them?					
21. Does the Board have a document which defines and enumerates “conflicts of interests”?					
22. In case of conflicts, does the Board follow a systematic disclosure procedure to resolve such conflicts?					
23. Does the Board ensure the disclosure of facts and material information before arriving at a decision?					
24. Does the Board have a Code of Corporate Governance?					
25. Does the Board comply with the DOSRI rules?					
26. Does the Board control the agenda for its meetings? Before every Board meeting, does the Chair meet the President and CEO to settle the agenda?					
27. Do the Chair and the President and CEO set forth an annual calendar to ensure that all key issues are reviewed and studied by the Board?					
28. Does the Board schedule strategy review sessions annually?					
29. Does the Corporate Secretary facilitate the proper and effective functioning of the Board and ensure that Board procedures are followed?					

#### IV. BOARD PERFORMANCE (30%)

CHECKLIST	RATING				
	1	2	3	4	5
1. Does the Board have a policy on its conduct of the annual performance rating system?					
2. Does the Chair ensure the implementation of the annual performance rating system?					
3. Is this annual performance rating instrument effective and comprehensive?					
4. Does the annual performance rating system ensure independence of evaluation?					
5. Does the annual performance rating system identify what is required of a director, as a basis for evaluation?					
6. Does the Board provide realistic opportunities for directors to acquire the necessary skills and knowledge complementing what they already have?					
7. Has the Board established the method and frequency of monitoring the performance of each individual director, the Board Committees and the Board as a whole?					
8. Does the Board evaluate the performance of each Committee?					
9. Does the Board seek an external facilitator in accomplishing the annual performance rating system?					
10. Is the evaluation of each Committee aligned with the corporate strategy?					
11. Does the Board have a mechanism to enable all Board members to contribute or support the President and CEO and top management?					
12. Does the Board regularly enhance the annual performance rating system as a positive tool to strengthen the Board?					



## Performance Rating System

Evaluation:

### Individual Directors

developed by:



for the exclusive use of:



This rating instrument includes questions on the following:

- I. Competence and Independence (25%)
- II. Commitment to Corporate Governance (25%)
- III. Transparency (20%)
- IV. Audit & Risk Oversight (20%)
- V. Committee Activity (10%)

The final scores:	80% - 84.99%	acceptable
	85% - 94.99%	ideal
	95% -100.00%	superior

## Evaluation: Self-Evaluation of Individual Directors

Evaluating your performance as a director is a crucial tool that allows you to review your responsibilities, and identify your strengths and areas for improvement, and helps you to set goals for a more effective performance.

In completing the self-assessment, write your answer on the rightmost column, on a scale of 1 to 5.

**1 – No, I strongly disagree. I do not practice this.**

**2 – No, but I try to do so.**

**3 – Undecided. Only occasionally.**

**4 – Yes, I agree, but there is some room for improvement.**

**5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

CHECKLIST	RATING				
	1	2	3	4	5
<b>Competence and Independence</b>					
1. Do I actively participate in Board meetings?					
2. Do I think and act independently in all my decisions as a member of the Board of Directors?					
3. Do I speak up on critical matters requiring objective opinion even if my views differ from the norm?					
4. Do I listen and respond tactfully to the opinions of others that are not aligned with my own (without compromising my independent position)?					
5. Do I know the role of the Board in strategy formulation, analysis and implementation, and the distinction from that of management?					
6. Do I actively participate in strategy formulation?					
7. Do I regularly review management's strategic annual plans and provide oversight to top management?					
8. Am I aware about the issues and processes involved in formulating, implementing and controlling the Bank's corporate and business strategies?					
9. Can I identify the challenges and areas where Board's effectiveness can be improved?					
10. Do I take an active part in championing reform (when needed)?					
11. I concurrently hold (inclusive of LandBank) corporate directorships in: 10 or more institutions - mark box # 1 8 to 9 institutions - mark box # 2 6 to 7 institutions - mark box # 3 4 to 5 institutions - mark box # 4 1 to 3 institutions - mark box # 5					
12. Do I seek additional knowledge and skills training relevant to my directorship?					

<b>Commitment to Corporate Governance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
13. Do I contribute in defining and communicating the Bank's corporate vision, mission and core values?					
14. Do I devote sufficient time to familiarize myself with the Bank's operations?					
15. Do I have a working knowledge of the statutory and regulatory requirements affecting Bank operations?					
16. Do I scrutinize and analyze key agenda items for Board meetings ahead of time?					
17. Do I conscientiously attend every Board meeting?					
18. Am I always punctual for Board meetings?					
19. Do I effectively engage in the discussions on issues brought to the Board?					
20. Am I aware of my duties and responsibilities and observe it at all times?					
21. Does my behavior conform to the precepts prescribed by the Code of Ethics?					
22. Does the Bank have a Code of Ethics that a director signs into upon appointment as a director?					
23. Do I strictly adhere to the Code of Corporate Governance?					

<b>Transparency</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
24. Do I ensure disclosure of facts and material information from management before arriving at a decision?					
25. Do I require the Bank's management to disclose required information to the stakeholders and the general public?					
26. Do I conduct a thorough and conscientious evaluation of issues, ask questions and seek clarification when necessary before arriving at a decision?					
27. Do I ensure that matters taken up in the Board are not subordinated by my personal interest?					
28. Do I fully reveal conflicts of interest?					
29. When potential or actual conflicts of interest are found, do I abstain from participating or voting?					

<b>Audit &amp; Risk Oversight</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
30. Do I have a sound background and knowledge of the Bank's accounting, financial terminologies and concepts?					
31. Do I ensure that external and internal audit findings are properly discussed and acted upon?					
32. Do I ensure that risk limits are strictly complied and deviations are properly addressed or justified?					
33. Do I ensure that persons responsible for deviations are managed and appraised?					
34. Do I fully evaluate and identify risk factors for loan proposals presented to the Board for approval/confirmation?					
35. Do I ensure that all the policies and procedures of the Bank are strictly followed / implemented by management?					

<b>Committee Activity</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
36. Do I understand the process of Committee work, particularly its relations with the executive management?					





## Performance Rating System

Evaluation:

### Audit and Compliance Committee

developed by:



for the exclusive use of:



This rating instrument includes questions on the Audit and Compliance Committee's:

- I. Composition
- II. Processes
- III. Communications and Information
- IV. Oversight of the Financial Reporting Process, Including Internal Controls
- V. Other Duties

The final scores:	80% - 84.99%	acceptable
	85% - 94.99%	ideal
	95% -100.00%	superior

## Evaluation: Audit and Compliance Committee

Audit and Compliance Committees are required mainly to help ensure that the Board lives up to one of its core functions of installing a financial control and reporting system.

Evaluating your Committee's performance is a significant measure that allows you to go over the Committee's and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Audit and Compliance Committee, please provide your answer on the rightmost column, on a scale of 1 to 5.

**1 – No, I strongly disagree. This is not a practice.**

**2 – No, but this is practiced once in a while / there are efforts to do so.**

**3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.**

**4 – Yes, I agree, but there is some room for improvement.**

**5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

CHECKLIST	RATING				
	1	2	3	4	5
<b>Composition</b>					
1. The Audit and Compliance Committee's membership has an appropriately high level of financial skills.					
2. The Audit and Compliance Committee's membership is sufficiently independent of management.					
3. The Audit and Compliance Committee ensures compliance with corporate governance regulations and guidelines.					
4. The Audit and Compliance Committee has developed a continuing education program to enhance its members' understanding of relevant auditing, accounting, regulatory, and banking industry issues.					
5. New Audit and Compliance Committee members are provided with an orientation program to educate them on the Bank and their responsibilities.					

Processes	1	2	3	4	5
	6. The Audit and Compliance Committee sets the direction for the Committee through a clear and specific charter approved by the full Board, understood by all Committee members, and used to guide Committee activities.				
7. The Audit and Compliance Committee reviews its charter annually to determine whether its responsibilities are adequately described.					
8. The Audit and Compliance Committee ensures that expectations are clearly discussed with, and understood by management, auditors, and other advisors.					
9. The Audit and Compliance Committee produces meaningful, timely, clear and focused reports to the Board.					
10. The Audit and Compliance Committee meetings are held at least monthly.					
11. The Audit and Compliance Committee reviews the results of the Bank's internal audit activities.					
12. The Audit and Compliance Committee ensures and evaluates the objectivity of the internal audit function.					
13. The Audit and Compliance Committee receives and reviews the results of the BSP Report of Examination and the COA Annual Audit Report.					

<b>Processes (con't.)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
14. The Audit and Compliance Committee ensures the full operationalization of a proper and adequate control system.					
15. Such a system secures reliability of “reporting, safeguarding of assets, compliance with rules and regulations, effectiveness and efficiency of operations”.					
16. The Audit and Compliance Committee obtains from the internal and external auditors the key control issues and findings.					
17. The Audit and Compliance Committee makes periodic assessments on whether progress is being made to adequately address these issues and findings.					
18. The Audit and Compliance Committee meets with the Compliance Officer to review programs designed to raise the culture of ethics and compliance within the Bank.					
19. The Audit and Compliance Committee ensures an enforcement mechanism, which decisively sanctions non-compliance and unethical behavior.					
20. The Audit and Compliance Committee has a process that ensures all members of the Committee understand all major aspects of the operations of units that contribute a substantial percentage to the Bank’s earnings.					
21. The Audit and Compliance Committee thoroughly reviews the findings of “special action committees” that management may have created for cases on operational lapses and losses.					
22. The Audit and Compliance Committee ensures that the appropriate actions and refinements of operational controls have been undertaken.					
23. The Audit and Compliance Committee meets with the internal auditor regularly, with and without management present.					
24. The Audit and Compliance Committee ensures internal controls are effective and reports on these to the Board.					
25. The Audit and Compliance Committee has access to outside professional advice (accounting, legal, information technology, etc.), if necessary.					
26. Discussions at Committee meetings are open, respectful and air opposing views effectively.					
27. The Committee uses an annual calendar to plan meetings, address issues and align with planning and reporting cycles.					

<b>Communications and Information</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28. The level of openness between members of the Audit and Compliance Committee and other Board members is high.					
29. The level of openness between the Audit and Compliance Committee and management is high.					
30. Committee members are made aware of communications received from governmental or regulatory agencies relating to areas of alleged violations or areas of non-compliance.					

<b>Oversight of the Financial Reporting Process, Including Internal Controls</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
31. The Audit and Compliance Committee oversees management's procedures for enforcing the Bank's Code of Conduct.					
32. The Audit and Compliance Committee considers the transparency of disclosures.					
33. The Audit and Compliance Committee ensures the Bank's compliance with International Accounting Standards. (IAS)					
34. The Audit and Compliance Committee receives sufficient information to evaluate the Bank's system of internal controls (e.g. financial reporting and disclosure controls, operation controls, and compliance controls).					
35. The Audit and Compliance Committee evaluates the internal control testing conducted by internal auditors to assess the process of reasonably detecting internal control issues or fraud.					
36. If management's assessment of internal controls resulted in the identification of significant deficiencies or material weaknesses, plans to address these issues are reviewed by the Audit and Compliance Committee.					
37. The Audit and Compliance Committee makes inquiries on the depth of experience and sufficiency of the Internal Audit Group's officers and staff.					
38. The Audit and Compliance Committee reviews the recommendation letters written by the auditors to ensure that all significant matters raised are addressed.					
39. The Audit and Compliance Committee evaluates management's action plans as applicable (i.e. to address internal control deficiencies and related corrective actions).					
40. The Audit and Compliance Committee takes action to ensure resolutions when there are instances of repeat comments from auditors and others about internal controls.					
41. Is an internationally recognized accounting and auditing system in place, consistent with the International Accounting Standards (IAS) and the International Standards on Auditing (ISA)?					

<b>Other Duties</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
42. The Audit and Compliance Committee participates in the development of a calendar and agenda to ensure that responsibilities are met.					
43. Committee members have the option to influence meeting agenda in order to address emerging issues.					
44. The Audit and Compliance Committee encourages input on the meeting agenda from management, the internal auditor, and the Board of Directors.					
45. The Audit and Compliance Committee has private executive sessions with management and internal audit.					
46. The written materials provided to the Audit and Compliance Committee members are appropriately balanced (i.e. relevant and concise).					
47. If a whistleblower hotline exists, the Audit and Compliance Committee reviews the log of incoming calls.					



## Performance Rating System

Evaluation:

### Corporate Governance Committee

developed by:



for the exclusive use of:



**LANDBANK**

This rating instrument includes questions on the Corporate Governance Committee's:

- I. Composition (20%)
- II. Processes (20%)
- III. Organization and Procedures (20%)
- IV. Continuing Education Program (20%)
- V. Remuneration Program (0%)
- VI. Corporate Governance Program (20%)

The final scores:	80% - 84.99%	acceptable
	85% - 94.99%	ideal
	95% -100.00%	superior

## Evaluation: Corporate Governance Committee

Modern corporate governance – based on international best practices, domestic laws, the BSP Manual of Regulations for Banks, and regulatory requirements – requires the Board of Directors to take its duties of managing and overseeing the affairs of the Bank with due care and diligence. The role of the Board is original, not delegated. Among the many important duties that the Board must take on, the following need careful and diligent attention, involvement, control and oversight:

Evaluating the Corporate Governance Committee's performance is an important tool that allows you to go over the Committee's and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Corporate Governance Committee, please provide your answer on the rightmost column, on a scale of 1 to 5.

**1 – No, I strongly disagree. This is not a practice.**

**2 – No, but this is practiced once in a while / there are efforts to do so.**

**3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.**

**4 – Yes, I agree, but there is some room for improvement.**

**5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

CHECKLIST	RATING				
	1	2	3	4	5
<b>Composition</b>					
1. The Corporate Governance Committee is composed of at least five members.					
2. The Corporate Governance Committee's membership has an appropriately high level of skills and experience.					
3. The Corporate Governance Committee's membership has an adequate knowledge of the Bank's corporate and operational structure and its functions.					
4. The Corporate Governance Committee members have no close blood relationship (up to third degree of affinity and consanguinity) with anyone in senior management of the Bank.					
5. The Corporate Governance Committee members have no close and heavy financial, as well as, business relationships with the Bank.					
6. The Corporate Governance Committee members, except for the Bank's President and CEO, are not currently, nor have they been (in the last three years) employed by the Bank or its subsidiaries.					

Processes	1	2	3	4	5
	7. The Committee has access to outside professional advice (accounting, legal, information technology, etc.), if necessary.				
8. The Corporate Governance Committee meetings are held at least every quarter.					
9. Discussions at Committee meetings are open, respectful and air opposing views effectively.					
10. The Committee's minutes are clear, useful, and confirmed regularly by the Board.					
11. The Corporate Governance Committee receives the right information it needs to fulfill its responsibilities in a timely manner.					

<b>Processes (con't.)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
12. There is effective, open communication between Committee members.					
13. There is effective, open communication between the Committee and management.					
14. The Corporate Governance Committee carries out its duties diligently and effectively.					
15. The Corporate Governance Committee sets the direction for the Committee through a clear and specific charter approved by the full Board, understood by all Committee members, and used to guide Committee activities.					
16. The Corporate Governance Committee reviews its charter annually to determine whether its responsibilities are adequately described and recommends amendments whenever necessary.					
17. The Corporate Governance Committee uses an annual calendar to plan meetings, address issues and align with planning and reporting cycles.					
18. The Corporate Governance Committee produces meaningful, timely, and focused reports to the Board.					

<b>Organization and Procedures</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
19. The Corporate Governance Committee has a process of evaluating potential conflicts of interest by a director.					
20. Is there a clear definition of conflicts of interest to guide the directors and management?					
21. The Corporate Governance Committee recommends Committee assignments.					
22. The Corporate Governance Committee manages the process whereby the full Board annually assesses its performance.					
23. The Corporate Governance Committee reports the annual results of performance rating system to the Board.					

<b>Continuing Education Program</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
24. New Committee members are provided with an orientation program to educate them on the Bank and their responsibilities.					
25. The Corporate Governance Committee has developed a continuing education program to enhance the Board members' understanding of regulatory and banking industry issues and international best practices.					

<b>Remuneration Program</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
26. The Corporate Governance Committee recommends reasonable remuneration to be paid to the Board of Directors, officers and staff.					



<b>Corporate Governance Program</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
27. The Corporate Governance Committee specifies annually the elements of the Board's corporate governance improvement program.					
28. The Corporate Governance Committee keeps abreast of the developments in corporate governance and effectively assesses its impact on the operations of the Bank.					
29. The Corporate Governance Committee ensures compliance with corporate governance regulations and guidelines.					
30. The Corporate Governance Committee oversees the Bank's whistleblower process.					
31. Does the Bank's Annual Report specifically discuss its risk management system and corporate governance practices?					

Comments, Observations, & Suggestions:

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*Signature of Director* \_\_\_\_\_

*Date Accomplished* \_\_\_\_\_

## Performance Rating System

Evaluation:

## Risk Oversight Committee

developed by:



for the exclusive use of:



This rating instrument includes questions on the Risk Committee's:

- I. Composition
- II. Processes
- III. Tasks

The final scores:	80% - 84.99%	acceptable
	85% - 94.99%	ideal
	95% - 100.00%	superior

## Evaluation: Risk Oversight Committee

In today's interconnected world, banks face increasingly graver risks. It is vital that the Risk Management Committee (RMC) understands the specific risks the Bank faces, establishes a process by which they are kept aware of the probabilities, and oversees mechanisms for addressing risks and mitigating their impact.

Evaluating the Risk Management Committee's performance is an important tool that allows you to go over the Committee's and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the RMC, please provide your answer on the rightmost column, on a scale of 1 to 5.

**1 – No, I strongly disagree. This is not a practice.**

**2 – No, but this is practiced once in a while / there are efforts to do so.**

**3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.**

**4 – Yes, I agree, but there is some room for improvement.**

**5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

CHECKLIST	RATING				
	1	2	3	4	5
<b>Composition</b>					
1. Each Committee member is knowledgeable of every specific risk the Bank is exposed to.					
2. Is at least one of the Committee a member of the Audit Committee?					
3. Is at least one of the Committee a risk expert?					
4. The Risk Management Committee members have no close blood relationship with anyone in senior management of the Bank.					
5. The Risk Management Committee members have no close and heavy financial, as well as, business relationship with the Bank.					
6. The Risk Management Committee members are not currently, nor have they been (in the last three years) employed by the Bank or its subsidiaries.					
7. The Risk Management Committee's membership has an appropriately high level of skills and experience.					
8. The Risk Management Committee has developed a continuing education program to enhance its members' understanding of relevant regulatory and banking industry issues.					
9. Risk Management Committee members are provided with an orientation program to educate them on the Bank and their responsibilities.					

Processes	1	2	3	4	5
10. The Risk Management Committee sets the direction for the Committee through a clear and specific charter approved by the full Board, understood by all Committee members, and used to guide Committee activities.					
11. The Risk Management Committee reviews its charter annually to determine whether its responsibilities are adequately described, and amends policies if necessary in order to adapt to future risks the Bank may be exposed to.					
12. The Risk Management Committee produces meaningful, timely, and focused reports to the Board.					
13. The Risk Management Committee meetings are held every month.					
14. The Risk Management Committee recognizes the hierarchy of risks and has a separate policy on each risk.					
15. The Risk Management Committee assesses risks in a proactive manner.					
16. The Risk Management Committee has the necessary mechanisms to identify potential risk.					
17. The Risk Management Committee has the authority to require implementation of its recommendations.					
18. The Risk Management Committee members are “risk-minded” in reviewing business strategies, plans, financial reports, operations, and compliance.					
19. The Risk Management Committee continuously evaluates risks and amends policies to mitigate the occurrence of certain risks.					
20. The Risk Management Committee has access to outside professional advice (accounting, legal, information technology, etc.), if necessary.					
21. Discussions at Committee meetings are open, respectful and air opposing views effectively.					
22. The Risk Management Committee uses an annual calendar to plan meetings, address issues and align with planning and reporting cycles.					
23. The Risk Management Committee’s minutes are clear, useful, and reported to the Board.					
24. The Risk Management Committee receives the right information it needs to fulfill its responsibilities in a timely manner.					
25. There is effective and open communication between Committee members.					
26. There is effective and open communication between the Committee and management.					
27. The Risk Management Committee carries out its duties diligently and effectively.					

<b>Tasks</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28. The Risk Management Committee fulfills its statutory, fiduciary and regulatory responsibilities.					
29. The Risk Management Committee has a process of monitoring the actual risks and the control deficiencies in the Bank.					
30. The Risk Management Committee helps the Board define the risk appetite of the Bank.					
31. The Risk Management Committee exercises oversight of management's responsibilities and reviews the risk profile of the Bank to ensure that risk is not higher than the risk appetite determined by the Board.					
32. The Risk Management Committee ensures the alignment of risk management objectives with overall business strategies and performance goals.					
33. The Risk Management Committee monitors the effectiveness of risk management functions throughout the Bank, regularly evaluating the design and operating effectiveness of such controls.					
34. The Risk Management Committee ensures that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.					
35. The Risk Management Committee monitors and evaluates the independence of risk management functions throughout the Bank.					
36. The Risk Management Committee reviews the strategies, policies, frameworks, models and procedures that lead to the identification, measurement, reporting and mitigation of material risks.					
37. The Risk Management Committee reviews issues raised by internal audit that impact on the risk management framework.					
38. The Risk Management Committee ensures that the risk awareness culture is pervasive throughout the Bank.					
39. The Risk Management Committee ensures compliance with corporate governance regulations and guidelines.					



## Performance Rating System

Evaluation:

### Related Party Transactions Committee



This rating instrument includes questions on the Related Party Transactions Committee's:

- I. Composition
- II. Processes
- III. Tasks

The final scores:	80% - 84.99%	Acceptable
	85% - 94.99%	Ideal
	95% -100.00%	Superior



## Evaluation: Related Party Transactions Committee (RPT Com)

The Bangko Sentral ng Pilipinas expects banks, including their non-bank financial subsidiaries and affiliates, to exercise appropriate oversight and implement effective control systems for managing related party exposures. The Related Party Transactions Committee ensures Bank Transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with the applicable laws and regulations to protect the interest of depositors, creditors and stakeholders.

Evaluating the Related Party Transactions Committee's performance is an important tool that allows you to go over the Committee's and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Related Party Transactions Committee, please provide your answer on the rightmost column, on a scale of 1 to 5.

- 1 – No, I strongly disagree. This is not a practice.**
- 2 – No, but this is practiced once in a while / there are efforts to do so.**
- 3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.**
- 4 – Yes, I agree, but there is some room for improvement.**
- 5 – Yes, I strongly agree.**

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

CHECKLIST	RATING				
	1	2	3	4	5
<b>COMPOSITION</b>					
1. The Related Party Transactions Committee is composed of at least three members.					
2. The Related Party Transactions Committee's membership has an appropriately high level of skills and experience.					
3. The Related Party Transactions Committee's membership has an adequate knowledge of the Bank's corporate and operational structure and its functions.					
4. The Related Party Transactions Committee members have no close blood relationship (up to third degree of affinity and consanguinity) with anyone in senior management of the Bank.					
5. The Related Party Transactions Committee members have no close and heavy financial, as well as, business relationship with the Bank.					
6. The Related Party Transactions Committee ensures compliance with corporate governance regulations and guidelines.					





<b>COMPOSITION (con't.)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
7. If the Related Party Transactions Committee member is a DOSRI (Director, Owner, Shareholder or Related Interest) in regard to the account to be taken up for vetting, the DOSRI member discloses the relationship and inhibits himself from the discussion of the account by stepping out of the room.					
8. The Related Party Transactions Committee is assisted by the Chief Compliance Officer, Head of the Risk Management Group and Internal Audit Group as resource persons.					

<b>PROCESSES</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9. The Related Party Transactions Committee sets the direction through a clear and specific charter approved by the full Board, understood by all Committee members, and used to guide Committee activities.					
10. The Committee's minutes are clear, useful, and confirmed regularly by the Board.					
11. The Related Party Transactions Committee meetings are held at least every quarter or as often as it is considered necessary and appropriate.					
12. The Related Party Transactions Committee receives the right information it needs to fulfill its responsibilities in a timely manner.					
13. Discussions at Committee meetings are open, respectful and air opposing views effectively.					
14. There is effective, open communication between Committee members.					
15. There is effective, open communication between the Committee and management.					
16. The Related Party Transactions Committee has access to outside professional advice (Accounting, Legal, Information Technology, etc.), if necessary.					
17. The Related Party Transactions Committee produces meaningful, timely, clear and focused reports to the Board.					
18. The Related Party Transactions Committee may request any Bank director, officers or employees, or other persons whose advice and/or expertise are sought by the former, during its regular or special meetings to render a report or to clarify relevant issues and matters.					



<b>PROCESSES (con't.)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
19. The Related Party Transactions Committee uses an annual calendar to plan meetings, address issues and align with planning and reporting cycles.					
20. The Related Party Transactions Committee is assisted by a Secretariat to give administrative support to its activities.					

<b>CHECKLIST</b>	<b>RATING</b>				
<b>TASKS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
21. The Related Party Transactions Committee carries out its duties diligently and effectively.					
22. The Related Party Transactions Committee has authority to require implementation of its recommendations.					
23. The Related Party Transactions Committee continuously evaluates on an ongoing basis existing relations between among businesses and counterparties to ensure that all RPs are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (i.e., from non-related to related vice versa) are captured.					
24. The Related Party Transactions Committee evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms to such RPs than similar transactions with non-related parties under similar circumstances.					
25. The Related Party Transactions Committee Minutes, Resolutions and Actions taken on matters arising from the Minutes are clear, useful, reported to and noted by the LBP Board of Directors.					
26. The Related Party Transactions Committee prepares and submits timely and relevant reports to the Board.					

Comments, Observations, & Suggestions:

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*Signature of Director*

*Date Accomplished*

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## Performance Rating System

Evaluation:

**Trust Committee**

Developed by:



for the exclusive use of:



This rating instrument includes questions on the Trust Committee's:

- I. **FULFILLMENT OF MANDATE**
- II. **COMPOSITION AND QUALIFICATIONS**
- III. **OVERSIGHT RESPONSIBILITIES**
- IV. **PERFORMANCE OF THE MEMBERS**

The final scores:	80% - 84.99%	Acceptable
	85% - 94.99%	Ideal
	95% - 100.00%	Superior

## Evaluation: Trust Committee

Evaluating the Trust Committee's performance is an important tool that allows you to go over your Committee's and its members' responsibilities and manage expectations. This exercise will allow you to identify strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Trust Committee, please provide your answer on the rightmost column, on a scale of 1 to 5.

*1 – No, I strongly disagree. This is not a practice.*

*2 – No, but this is practiced once in a while / there are efforts to do so.*

*3 – Undecided. Mechanisms are in place but are not executed satisfactorily or consistently.*

*4 – Yes, I agree, but there is some room for improvement.*

*5 – Yes, I strongly agree.*

If you have additional comments or wish to qualify your answers, a space is provided at the end of this assessment form.

<b>CHECKLIST</b>	<b>RATING</b>				
<b>I. FULFILLMENT OF MANDATE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<ul style="list-style-type: none"> <li>• The Trust Committee acts with the highest ethical standards as required under BSP Circular 766, observes the cardinal principles of fidelity and prudence, and implements appropriate degree of independence between the bank and the Trust Banking Group.</li> </ul>					
<b>II. COMPOSITION AND QUALIFICATIONS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<ul style="list-style-type: none"> <li>• At least 5 Qualified Members</li> <li>• With Continuous Training</li> </ul>					
<b>III. OVERSIGHT RESPONSIBILITIES</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<ul style="list-style-type: none"> <li>• The Trust Committee oversees the management and growth of trust business;</li> <li>• Ensures compliance with laws, rules and regulations, including internal policies and procedures;</li> <li>• Implements stringent controls;</li> <li>• Implements appropriate risk management framework, compliance and internal control;</li> <li>• Ensures adoption of appropriate organizational structure and staffing complement;</li> <li>• Ensures that accounts are regularly reviewed;</li> <li>• Monitors the implementation of strategic plans.</li> </ul>					
<b>IV. PERFORMANCE OF THE MEMBERS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**B. Evaluation for the Individual Trust Committee Members**

CATEGORY		RATING				
		1	2	3	4	5
I	COMPETENCE AND INDEPENDENCE					
II	COMMITMENT TO CORPORATE GOVERNANCE					
III	TRANSPARENCY					
IV	AUDIT & RISK OVERSIGHT					
V	COMMITTEE ACTIVITY					

**Comments, Observations, & Suggestions:**

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*Signature of Trust Committee Member:* \_\_\_\_\_

*Date Accomplished:* \_\_\_\_\_

**GUIDELINES ON THE CONDUCT AND PRESENTATION OF THE PERFORMANCE  
RATING SYSTEM (PRS) OF THE LBP BOARD OF DIRECTORS  
AND BOARD-LEVEL COMMITTEES**

**1. Timeline**

The PRS is an annual, self-rating system distributed internally by the Bank to the Members of the Board of Directors. The PRS Sheet shall be distributed by the first week of December to the members of the Board of Directors and members of the Board-level Committees. It shall be completed by December 30.

**2. Computation of Results**Formula:

- Average score per item = the sum of all the rates divided by the total number of directors
- Average score per director = the sum of all the rates per category divided by the total number of items
- Average score per category = the sum of all the average scores per director divided by the total number of directors multiplied by the percentage weight for each category

Percentage weight presentation:

- Board Rating

This rating instrument is divided into four categories with corresponding weights.

- I. Board Functions and Responsibilities (30%)
- II. Board Structure (10%)
- III. Board Process (30%)
- IV. Board Performance (30%)

The final scores:	80% - 84.99%	Acceptable
	85% - 94.99%	Ideal
	95% -100.00%	Superior

- Individual Rating of Board Members

This rating instrument is divided into five categories with corresponding weights.

- I. Competence and Independence (25%)
- II. Commitment to Corporate Governance (25%)
- III. Transparency (20%)
- IV. Audit & Risk Oversight (20%)
- V. Committee Activity (10%)

The final scores:	80% - 84.99%	Acceptable
	85% - 94.99%	Ideal
	95% -100.00%	Superior

### **3. For other Board-level Committees**

The same formula shall be followed by the board-level committees and in accordance with their respective percentage weight distribution.

### **4. Narrative description of final scores**

There shall be a discussion of the breakdown of the average rating, item number, area and the total score for each category.

### **5. Actions to be taken if final score falls below 80%**

The respective Secretariat shall cite recommendations or actions to be taken for each category in order to improve the low rating, such as, but not limited to, attendance of seminars and conferences.

### **6. Guidelines on the reporting of the results**

The PRS Results are for Confirmation in the Corporate Governance Committee Meeting and Board Meeting. The average ratings of 4 and below shall be reported, together with the recommendations. If all the average ratings are above 4, the three lowest average ratings shall be reported.

### **7. Minimum number of attendance of Director required to fill up the PRS**

The Director must attend at least one quarter of the year or six board meetings to fill up the PRS.



-----Forwarded by FLOYD S REY-HIPOLITO/LANDBANK on 05/28/2024 02:09PM -----

To: [FREY-HIPOLITO@mail.landbank.com](mailto:FREY-HIPOLITO@mail.landbank.com)  
From: "ICTD Submission" <[ictdsubmission+canned.response@sec.gov.ph](mailto:ictdsubmission+canned.response@sec.gov.ph)>  
Date: 05/31/2023 02:19PM  
Subject: Re: LANDBANK's MANUAL ON CORPORATE GOVERNANCE

Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph). Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at <https://secepress.ph/>. Or you may call 8737-8888 for further clarifications.

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## NOTICE

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<https://cifss-ost.sec.gov.ph/user/login>

such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

**17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AML A-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT**, through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

FOR **MC28**, please go to SEC website:

<https://apps010.sec.gov.ph>

For your information and guidance.

Thank you and keep safe.

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delete this communication from your system. Land Bank of the Philippines is neither liable for the proper and complete transmission of this communication nor for any delay in its receipt."

## **I. LIMITS TO COMPENSATION, PER DIEMS, ALLOWANCES AND INCENTIVES – Pursuant to Section 23 of GOCC Governance Act of 2011:**

The Charters or By-laws of the Bank to the contrary notwithstanding, the compensation, *per diems*, allowances and incentives of the Appointive Directors shall be determined by the GCG, using as a reference, among others, Executive Order No. 24, dated February 10, 2011. Directors shall not be entitled to retirement benefits acting as such.

## **J. TRAININGS AND ORIENTATION PROGRAMS FOR DIRECTORS**

The Bank shall ensure that the new members are appropriately apprised of their duties and responsibilities, before beginning their directorships, and throughout their tenure. The orientation program covers mandated topics by the BSP, GCG and SEC on corporate governance and includes an introduction to the Bank's business, Bylaws, and Code of Business Conduct and Ethics.

The Bank shall also monitor the annual continuing training program to make certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Bank. The training can be on any matter relevant to the Bank, which could include training on audit, internal controls, risk management, sustainability and strategy. The Bank shall also assess its own training and development needs in determining the coverage of their continuing training program.

First-time directors shall undergo a minimum of eight (8)-hour orientation program while all directors shall take a minimum of four (4)-hour annual continuing training. The training programs should cover topics relevant in carrying out their duties and responsibilities as directors, including strategic management, payment system and financial market concepts, risk management techniques, and internal control frameworks.<sup>1</sup>

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<sup>1</sup> BSP Circular Nos. 969, S.2017 and 1127, S. 2021

**Fw: Re: CGFD\_Land Bank of the Philippines\_Annual Corporate Governance Report (ACGR)\_29 June 2023**

MPENALOSA@mail.landbank.com <MPENALOSA@mail.landbank.com>

Thu 6/29/2023 11:33 AM

To: IRIS B. MONTECLARO <IMONTECLARO@LANDBANK.COM>; IMONTECLARO@MAIL.LANDBANK.COM <IMONTECLARO@MAIL.LANDBANK.COM>; FLOYD S. REY HIPOLITO <F752@landbank.onmicrosoft.com>; FREY-HIPOLITO@MAIL.LANDBANK.COM <FREY-HIPOLITO@MAIL.LANDBANK.COM>

**MYRA-LYN S PENALOSA**

[MPENALOSA@mail.landbank.com](mailto:MPENALOSA@mail.landbank.com)

-----Forwarded by MYRA-LYN S PENALOSA/LANDBANK on 06/29/2023 11:13AM -----

To: [MPENALOSA@mail.landbank.com](mailto:MPENALOSA@mail.landbank.com)  
 From: "ICTD Submission" <[ictdsubmission+canned.response@sec.gov.ph](mailto:ictdsubmission+canned.response@sec.gov.ph)>  
 Date: 06/29/2023 11:12AM  
 Subject: Re: CGFD\_Land Bank of the Philippines\_Annual Corporate Governance Report (ACGR)\_29 June 2023

Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO COMPANIES -----

Please be informed of the reports that shall be filed only through [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph).

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven

(11) reports through the [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS - Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link - <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

## CHAPTER 9

### RISK MANAGEMENT

**Risk Management Function**<sup>1</sup>. The risk management function is generally responsible for:

1. Identifying the key risk exposures and assessing and measuring the extent of risk exposures of the Bank and its trust operations;
2. Monitoring the risk exposures and determining the corresponding capital requirement in accordance with the Basel capital adequacy framework and based on the Bank's internal capital adequacy assessment on an on-going basis;
3. Monitoring and assessing decisions to accept particular risks whether these are consistent with board approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures; and
4. Reporting on a regular basis to senior management and to the board of directors of the results of assessment and monitoring. Risk management personnel shall possess sufficient experience and qualifications, including

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<sup>1</sup> BSP Circular No. 749, S. 2012

knowledge on the Banking business, the developments in the market, industry and product lines, as well as mastery of risk disciplines. They shall have the ability and willingness to challenge business lines regarding all aspects of risk arising from the Bank's activities.

### **Chief Risk Officer<sup>1</sup>**

The Bank shall appoint a Chief Risk Officer (CRO), or any equivalent position, who shall be independent from executive functions and business line responsibilities, operations and revenue-generating functions. This independence shall be displayed in practice at all times as such, albeit the CRO may report to the President or Senior Management, he shall have direct access to the board of directors and the risk oversight committee without any impediment. In this regard, the board of directors shall confirm the performance ratings given by the President or Senior Management to the CRO.

The CRO shall have sufficient stature, authority and seniority within the Bank. This will be assessed based on the ability of the CRO to influence decisions that affect the Bank's exposure to risk. The CRO shall have the ability, without compromising his/her independence, to engage in discussion with the board of directors, chief executive officer and other senior management on key risk issues and to access such information as he deems necessary to form his or her judgment. The CRO shall meet with the board of directors/risk oversight committee on a regular basis and such meetings shall be duly minuted and adequately documented.

CROs shall be appointed and replaced with prior approval of the board of directors. In cases, when the CRO will be replaced, the Bank shall report the same to the appropriate department of the SES within five (5) days from the time it has been approved by the board of directors.

### **A. Duties and Responsibilities of the Risk Management Group<sup>2</sup>**

The Risk Management Group (RMG) shall monitor the risk environment for LANDBANK and provide direction for the activities to mitigate, to an acceptable level, the risks that may adversely affect the Bank's ability to achieve its goals. RMG shall facilitate continuous improvement of the Bank's capabilities around managing its priority risks. It shall monitor and evaluate the risk management process of the Bank and undertake enhancements when needed.

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<sup>1</sup> *Ibid.*

<sup>2</sup> Charter of the LBP Risk Management Group