



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

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

1. For the fiscal year ended: 2021
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
THE BOARD'S GOVERNANCE RESPONSIBILITIES				
Principle 1. ESTABLISHING A COMPETENT BOARD				
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.				
Recommendation 1.1				
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		
Recommendation 1.2				
1	The Board is headed by a competent and qualified Chairperson.	Compliant	Carlos "Sonny" Dominguez has over 40 years of experience managing various organizations in the public and private sectors. He was a shareholder, and board chairman or member of over a dozen corporations across various industries such as power, agriculture, mining, banking, hospitality, real estate, and investment. Notable positions held by him were Cabinet Secretary of the Environment and Natural Resources and Agriculture during the Presidency of Corazon Aquino, past president of the leading Philippine corporations such as Philippine Airlines and the Philippine Associate Smelting and Refining Corporation, and the former Bank of the Philippine Islands Agricultural Bank. He has a Master's Degree in Business Administration from Ateneo De Manila University and attended the Executive Management Program at the Stanford University.  Please see profile of Sec. Domiguez 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 pages 1 and 2).	
Recommendation 1.3				
1	The company provides a policy on training of directors.	Compliant	Under the LBP Manual on Corporate Governance, on Page 35, item J. titled “Trainings and Orientation Programs for Directors” it is an established policy that:	
2	The company has an orientation program for first-time directors.	Compliant	<i>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</i>	

			<p>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.</p> <p>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.</p> <p>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.</p>	
3	The company has relevant annual continuing training for all directors.	Compliant – Appointive Directors	<p>Please see <b>Annex B</b> (annual training requirements, Page 9, last paragraph) this shows the need for “continuing” annual training of then BOD members.</p> <p><b>Please see Annex A</b> (titled “Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies”). 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>	
Recommendation 1.4				
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>	
Recommendation 1.5				

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/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 SVP Amelia S. Amparado 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 on the provision that prohibits Members of the Board of Directors 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>Corporate Governance in a Nutshell</i> " held on 23 July 2021, via Zoom (2 hours)

#### Recommendation 1.6

1	The Board is assisted by a Compliance Officer.	Compliant	The Chief Compliance Officer (CCO), being the lead operating officer on compliance, oversees the identification and management of the Bank's compliance risk and supervises the performance of the compliance function. The CCO liaises with BSP and other regulatory agencies on compliance related issues and ensures the integrity and accuracy of all documentary submissions to BSP. CCO meets/reports to the Board of Directors through the Audit and Compliance Committee and such meetings shall be duly minuted and adequately documented. The CCO ensures that the Board of Directors, Management and employees are in compliance with the applicable laws, rules and regulations.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Compliant	The CCO is the head of the Compliance Management Group and has a rank of SVP.
3	The Compliance Officer is not a member of the board.	Compliant	SVP Amelia S. Amparado is not a member of the LANDBANK Board. Members of the Board of Directors shall not be appointed as Corporate Secretary or Chief Compliance Officer in compliance to the BSP MORB
4	The Compliance Officer attends <u>annual</u> training/s on corporate governance.	Compliant	The Compliance Officer attended a seminar titled " <i>Corporate Governance Best Practice Sharing</i> " held on 11 September 2019 (4 hours).

#### Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

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.

#### Recommendation 2.1

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> titled " <i>Powers/Responsibilities and Duties of Directors</i> " and <b>F</b> titled " <i>Other Responsibilities of the Board</i> ". This was extracted from the LBP Manual on Corporate Governance (pages 15-32, items E). 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.	
Recommendation 2.2				
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> or Page 16, par. B, items 1 - 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		
Recommendation 2.3				
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 18 (item 4), page 20 (item 3), and page 28 (item 2.d.), thereof (see pertinent pages in <b>Annex C</b> ). 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.  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> ).  Charters or By-laws of the Bank to the contrary notwithstanding, the compensation, <i>per diems</i> , 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 titled 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 35, item I. titled " <i>Limits to Compensation, Per Diems, allowances and Incentives</i> " 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</i>	

			others, Executive Order No. 24, dated February 10, 2011. Directors shall not be titled to retirement benefits acting as such.	
<b>Recommendation 2.5</b>				
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.  <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",	
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	The members of the LANDBANK Board are appointed by the President of the Republic. The appointment is subject to GCG regulations.	
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	The members of the LANDBANK Board are appointed by the President of the Republic. The appointment is subject to GCG regulations.	
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	The members of the LANDBANK Board are appointed by the President of the Republic. The appointment is subject to GCG regulations.	
<b>Recommendation 2.6</b>				
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 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 2021, the RPT Com and other appropriate approving authorities/committees has vetted and deliberated fifteen loan transactions, twenty five procurement transactions, two donations and five 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	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.	

			Also, please see <b>Annex C</b> or Page 17, par. c, item 1 of the LANDBANKS Manual on Corporate Governance. This shows the duties of the Board on appointment/selection of management.	
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>Also, please see <b>Annex C</b> or Pages 17-18, par. item 3 of the LANDBANKs Manual on Corporate Governance.</p>	
Recommendation 2.8				
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	<p>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 the 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 is linked with employees' individual performance targets and objectives to ensure organizational effectiveness.</p>	
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		
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	Compliant	<p>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 LANDBANKs Manual on Corporate Governance (pages 36-42, Chapter 3, item A)</p>	
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		
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.	Compliant	<p>Please see <b>Annex F</b> providing the various information related to LANDBANK's risk management framework.</p>	



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		
Recommendation 2.11				
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) 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): <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>	
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	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.  Annex E contains the following Board-Level Committees: A. Audit and Compliance Committee (pages 36-42) B. Risk Oversight Committee (pages 42-52) C. Trust Committee (pages 52-56) D. Corporate Governance Committee (pages 52-59) E. Related Party Transactions (pages 59-62) F. Agri-Agra Social Concerns Committee (pages 62- 63)	
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 36-42)	
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	The following is the composition of the LANDBANK’s ACCom for CY 2021:  Chairperson – Dir. Jesus V. Hinlo, Jr. Vice-Chairperson – Dir. Jaime L. Miralles Member – Dir. Virgilio D. Robes  All are Independent Directors	



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 “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>” (pages 1-18).</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 DOF Sec. Carlos G. Dominguez while the Audit Committee is Chaired by Dir. Jesus V. Hinlo, Jr.	
<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 57-59, 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	<p>The following is the composition of the LANDBANK’s CGCom for CY 2021:</p> <p>Chairperson – Dir. Nancy D. Irlanda  Vice-Chairperson – Dir. Jesus V. Hinlo, Jr.  Member – Dir. Virgilio D. Robes</p> <p>All are members are Independent Directors</p> <p>Please see <b>Annex A</b> titled “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>”, particularly:</p> <p>Dir. Nancy D. Irlanda - pages 16-18  Dir. Jesus V. Hinlo, Jr. – pages 14-16  Dir. Virgilio D. Robes – pages 10-11</p>	
<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 42-52, 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	<p>The following is the composition of the LANDBANK’s RiskCom for CY 2021:</p> <p>Chairperson – Dir. Jaime L. Miralles  Vice-Chairperson – Sec. Carlos G. Dominguez  (Pimary Alternate: Treasurer Rosalia V. De Leon, Secondary Alternate: DTop Erwin D. Sta. Ana)  Member – Dir. Nancy D. Irlanda</p>	

			<p>Member – Dir. Jesus V. Hinlo, Jr.</p> <p>3 Members are Independent Directors</p> <p>Please see <b>Annex A</b> titled “<i>Relevant Qualifications and Experiences Including Directorship and Officership in Other Companies</i>”, particularly:</p> <p>Dir. Jaime L. Miralles – pages 12-13 Sec. Carlos G. Dominguez – pages 1-2 Dir. Nancy D. Irlanda – pages 16-18 Dir. Jesus V. Hinlo, Jr. – pages 14-16</p>	
3	At least one member of the BROC 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>	
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 36-63, 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 36-42) B. Risk Oversight Committee (pages 42-52) C. Trust Committee (pages 52-56) D. Corporate Governance Committee (pages 52-59) E. Related Party Transactions (pages 59-62) F. Agri-Agra Social Concerns Committee (pages 62- 63)</p>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Complaint		
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 (2021)</i>”.</p> <p>See Annex C, on pages 34-35, 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 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>
2	The Directors review meeting materials for all 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 25, par. 3, items d and e of the LANDBANKS 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>
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 25, par. 3, items d and e of the LANDBANKS 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> 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. Carlos G. Dominguez (pages 1-2)</li> <li>b. William D. Dar (pages 6-7)</li> <li>c. John R. Castricones/Bernie F. Cruz (pages 7-8)</li> </ul>

			<ul style="list-style-type: none"> <li>d. Silvestre H. Bello III (pages 9-10)</li> <li>e. Virgilio D. Robes (pages 10-11)</li> <li>f. Atty. Jamie L. Miralles (pages 12-13)</li> <li>g. Atty. Jesus V. Hinlo, Jr. (pages 14-16)</li> <li>h. Nancy D. Irlanda (pages 16-18)</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 73, item c 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> <p><i>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.</i></p>	
<b>Principle 5. REINFORCING BOARD INDEPENDENCE</b>				
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
<b>Recommendation 5.1</b>				
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. Carlos G. Dominguez (pages 1-2)</li> <li>b. William D. Dar (pages 6-7)</li> <li>c. John R. Castriciones/Bernie F. Cruz (pages 7-8)</li> <li>d. Silvestre H. Bello III (pages 9-10)</li> <li>e. Virgilio D. Robes (pages 10-11)</li> <li>f. Atty. Jamie L. Miralles (pages 12-13)</li> <li>g. Atty. Jesus V. Hinlo, Jr. (pages 14-16)</li> <li>h. Nancy D. Irlanda (pages 16-18)</li> </ul>	
<b>Recommendation 5.2</b>				
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>4 out of the 9 members (40%) of the LANDBANK Board are Independent Directors, namely:</p> <ul style="list-style-type: none"> <li>a. Dir. Virgilio D. Robes</li> <li>b. Dir. Jesus V. Hinlo, Jr.</li> <li>c. Dir. Nancy D. Irlanda</li> <li>d. Dir. Jaime L. Miralles</li> </ul>	
<b>Recommendation 5.3</b>				

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	Please see <b>Annex C</b> . This was extracted from the LBP Manual on Corporate Governance (pages 32-34, item G. <i>“Independent Directors”</i> )	
<b>Recommendation 5.4</b>				
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 34, last paragraph of item G in the LBP Manual on Corporate Governance.	
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 serves more than nine (9) years. This was likewise clearly expressed on page 7 in the LBP Manual on Corporate Governance.	
<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. Carlos G. Dominguez, Secretary of the Department of Finance, while the President and CEO is Cecilia C. Borromeo, 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 <i>“Duties and Powers of the President and CEO”</i> (pages 63-65, 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 2021 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 16 November 2021, 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 62, s. of 2011 re: Guidelines on Classification, Handling, Access, and Disclosure 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	1. Please see attached document marked as Annex J titled “Performance Assessment Program for the Board of Directors and Board-level Committees” and “Evaluation of Board of Directors” 2 and 3. Please see attached document marked as Annex K titled “Evaluation of Individual Directors” 4. Please see attached document marked as Annex L containing the performance evaluation of the following committees: a. Audit and Committee b. Corporate Governance Committee c. Risk Oversight Committee d. Related Party Transactions Committee e. Agri-Agra Socila Concerns Committee f. Trust Committee	
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant		
3	The individual members conduct a self-assessment of their performance.	Compliant		
4	Each committee conducts a self-assessment of its performance.	Compliant		
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 Annex M  and	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	Feedback mechanism from the shareholders/members is captured in the PRS Evaluation for the Board of Directors. (See Annex J, 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 22-28): <a href="https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf">https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.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 (slides 22-28):</i> <a href="https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf">https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.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 22-28):</i> <a href="https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf">https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf</a>	
Recommendation 7.2				
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 28):</i> <a href="https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf">https://www.landbank.com/public/upload/files/Code%20of%20Conduct%20Booklet_2022.pdf</a>	
DISCLOSURE AND TRANSPARENCY				
Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES				
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.				
Recommendation 8.1				
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>	
Recommendation 8.2				
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		
Recommendation 8.3				
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/FINAL_Corporate-Governance-Manual-2022.pdf">https://www.LANDBANK.com/public/upload/files/FINAL_Corporate-Governance-Manual-2022.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).		To be posted in the Bank's website	
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	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.	
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.		<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.	
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	<p>The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	<p>i. Not Applicable</p> <p>ii. Not Applicable</p> <p>iii. Compliant</p>	<p>For items i. and ii:</p> <p>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.</p> <p>For item iii:</p> <p>Please see attached document marked as <b>Annex E</b>, particularly on page 40, under the Audit and Compliance Committee (AC Com).</p> <p>This is included as part of the Audit and Compliance Committee's specific responsibilities in the functional supervision over the Internal Audit Group</p>	

			specifically items 6.2.d. and 6.2.j. of the AC Com Charter (December 01, 2021).	
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 LANDBANKs 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/annual-report">https://www.LANDBANK.com/annual-report</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.	Not Applicable		
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> and <a href="https://www.LANDBANK.com/transparency-seal">https://www.LANDBANK.com/transparency-seal</a>	
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 strong 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. 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>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.</p> <p>b. 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 Standards 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>	

**Recommendation 12.2**

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 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 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</p>	
---	---	-----------	---	--

			evaluating the risk management, compliance and governance processes of the Bank.	
<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/FINAL_Corporate-Governance-Manual-2022.pdf">https://www.LANDBANK.com/public/upload/files/FINAL_Corporate-Governance-Manual-2022.pdf</a></p> <p>Please see Annex C titled "Powers/Responsibilities and Duties of Directors", par. pages 15 (item 2) , 19 (item v) and 24 (item c)</p>	
<b>Recommendation 13.2</b>				
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.	
<b>Recommendation 13.3</b>				
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.	
<b>Recommendation 13.4</b>				
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.	
<b>Recommendation 13.5</b>				
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	<p>The Bank has a Corporate Information Officer to ensure that concerns of customers are addressed.</p> <p>VP Sandra May C. Daraman  Corporate Information Officer  Tel. No. 8405-7382  sdaraman@mail.LANDBANK.com</p>	

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.	
<b>DUTIES TO STAKEHOLDERS</b>				
<b>Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS</b>				
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.				
<b>Recommendation 14.1</b>				
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/Q12022-Target-Acomplishments.pdf">https://www.LANDBANK.com/public/upload/files/Q12022-Target-Acomplishments.pdf</a>	
<b>Recommendation 14.2</b>				
1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	Compliant	<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. EO No. 101, Series of 2021 titled "Policy on Ease of Doing Business (EoDB)"</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>3. AO No. 101, Series of 2018 titled "Guidelines on LANDBANK's Customer Assistance Management"</li> </ol> <p>Furthermore, the Landbank's Customer Care Center (CCC) is operational 24/7 and is in line with the Bank's continuing efforts to comply with the Financial Consumer Protection Circular of the Bangko Sentral ng Pilipinas, specifically its requirement of 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>	
<b>Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION</b>				
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.				
<b>Recommendation 15.1</b>				

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	<ul style="list-style-type: none"> <li>Executive Order No. 083, series of 2015: Guidelines on Awards and Incentives for Service Excellence (PRAISE)</li> </ul> <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> <ul style="list-style-type: none"> <li>EO No. 113, series of 2020: Guidelines on the Grant of Performance Based Bonus</li> </ul> <p>The Guidelines on the Grant of Performance Based Bonus aims 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>
<b>Recommendation 15.2</b>			
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>LBP EO No. 031, dated March 15, 2016, LANDBANK Anti-Bribery and Anti-Graft and Corruption Policy</li> <li>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, 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> </ul>

			<ul style="list-style-type: none"> <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, 2017 Rules on Administrative Cases in the Civil Service (2017 RACCS)</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 adoption of an Anti-corruption policy and programs that mitigate corrupt practices are part of the LANDBANK Code of Conduct, disseminated to all employees. Corporate Governance Program also forms part of Training Qualification Standards (QS) for PG 14 and up. The curriculum for the Leadership Development Program includes Training in Public Service Ethics and Accountability; and Integrity, Transparency and Accountability in Public Service. This program encourages employees to immediately report any violation that will reach their knowledge and provides information on how to resist and stop unethical actions and illegal business practices.</p> <p>The following are the training programs given to employees:</p> <ul style="list-style-type: none"> <li>• Code of conduct for LANDBANK employees and board of directors – Training provided to all new hires as part of the Onboarding Programs, conducted every quarter.</li> <li>• Code of Conduct Re-orientation sessions conducted by the Head of the Department/Branch/Unit is conducted every year.</li> <li>• The Corporate Governance Program is conducted as the need arises.</li> <li>• Public Service Ethics and Accountability; and Integrity, Transparency, and Accountability in Public Service are provided as the need arises dependent on the conduct of the Leadership Development Program</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	<p>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.</p>	Compliant	<p>The Bank's Whistleblowing guidelines include a provision on "Protected Disclosure" wherein whistleblowers shall be titled 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> <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	<p>The Board supervises and ensures the enforcement of the whistleblowing framework.</p>	Compliant	<p>The ERD submits to the President and CEO a semestral 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>	

Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY				
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.				
Recommendation 16.1				
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	Please see link under the Bank's website: <a href="https://www.LANDBANK.com/csr-programs/csr-statement">https://www.LANDBANK.com/csr-programs/csr-statement</a>	

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

**Carlos G. Dominguez**

Ex-Officio Chairman

Secretary, Department of Finance

**Age:** 76

**Nationality:** Filipino

**Educational Background:**

Post-Graduate : *Master of Arts, Business Management*  
Ateneo De Manila, 1969

College : *Bachelor of Arts, Economics*  
Ateneo De Manila, 1965

### Training in Banking and Other Related Fields:

Nature/Title	Conducted by	Year taken
Corporate Governance GoingForward	Center for Training and Development, Inc.	2015
Management Trainee	Stanford Executive Program	1982

Present Position – Government	Position	Date Assumed	
Department of Finance	Secretary	2016	
Land Bank of the Philippines	Chairman	2016	
Past Position – Other Private Institutions	Position	Date Assumed	Ended Term
Lafayette (Philippines) Inc.	President	2006	2008
RCBC Capital Corp	Independent Director	2002	2016
IPVC Corp.	Director	2004	2008
Manila Electric Corporation	Director	2001	2003
Phil. Associated Smelting and Refining Corp.	President	1999	2002
Northern Mindanao Power Corp.	Director	1994	2006
RCBC Capital Corporation	Chairman	1994	2002
OGDAT	President	1993	2016
Huntly Corporation	President	1993	2016
United Paragon Mining	Director	1993	2016
Philippine Airlines	Chairman & President	1993	1995
Phil. Tobacco Flue Curing Redrying Corporation	President	1992	2016
Baesa Redevelopment Corp.	President	1992	2016
Halifax Capital Resources Inc.	President	1992	2016
Retail Specialist Inc.	President	1991	2016
BPI Agricultural Development Bank	President	1983	1986
BPI	Vice President	1983	1986

Past Position – Government	Position	From	To
Department of Agriculture	Secretary	1987	1989
Department of Environment and Natural Resources	Secretary	1986	1987

**Cecilia C. Borrromeo**

Vice Chairperson  
President and Chief Executive Officer

**Age:** 62

**Nationality:** Filipino

**Educational Background:**

Post Graduate : *Master of Business Administration (without Thesis)*

De la Salle Business School, 1982

*Advance Bank Management Program*

Asian Institute of Management, 1995

College : *Bachelor of Science in Agribusiness*

University of the Philippines Los Baños, 1979

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

Nature/Title	Conducted by	Training Hours	Year taken
Updating On Anti-Money Laundering Act	Anti-Money Laundering Council Secretariat	2	2021
Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Lecture	Anti-Money Laundering Council Secretariat	2	2020
Updates on Anti-Money Laundering Act	Land Bank of the Philippines (w/AMLAC Speakers)	4	2019
Corporate Governance Orientation Program	Institute of Corporate Directors	6	2019
Good Governance Forum	Development Bank of the Philippines	8	2019
Orientation on the Enhanced Corporate Governance Guide-lines for the Board of Directors	Development Bank of the Philippines	2.5	2018
Technology for Inclusion Conference	Asian Development Bank	4	2018
DBP Women's Luncheon Forum	Development Bank of the Philippines	3	2018
Tax Reform Acceleration and Inclusion (TRAIN) Law Briefing	SGV and Co.	3	2018
Omnibus Rules on OHRA & RRACCS	Development Bank of the Philippines	4	2018
Pre-Board Retreat	Development Bank of the Philippines	6	2017
Corporate Governance Orientation for Board of Directors	Development Bank of the Philippines	1	2017

Updates on Anti-Money Laundering for Senior Officers	Development Bank of the Philippines	3	2017
Good Governance Forum	Development Bank of the Philippines	2	2017
Global Sustainable Finance Conference	European Organization for Sustainable Development	56	2017
Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors	8	2017
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	4	2016
Global Methane Forum	The World Bank	40	2015
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	4	2015
Pacific Rim Bankers Program	University of Washington	120	2015
Int'l Exposure Visit Program on Agri Finance	Japan Finance Corporation	64	2014
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	4	2014
Public Corporate Governance	DAP	16	2014
Carbon Partnership Facility Annual Meeting	The World Bank	24	2014
Carbon Partnership Facility Seller Training	The World Bank	24	2014
Study Visit Program on Rural Banking and Finance	Massey University		2014
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	4	2013
Carbon Partnership Facility Annual Meeting	The World Bank		2013
Conflict Sensitive Lending to LGUs-Basic	Land Bank of the Philippines	5	2012
ICAAP & Pricing & Risk Measurement Model	Land Bank of the Philippines	4	2012
Updating on Anti-Money Laundering Act	Land Bank of the Philippines	3	2011
Risk Management Program for LBP Subsidiaries BODS	Land Bank of the Philippines	3.5	2011
Exec Workshop on Managing Credit Enhance		4	2011
15th Annual Financial Agents Workshop	The World Bank	24	2011
6th SEACEN/ABAC/ABA/PECC Public-Private Dialogue for the Asia Pacific Region	SEACEN/ABAC/ABA/PECC	18	2010
The Leaders as Environment Steward 5 <sup>th</sup> Annual Investment Summit		2	2010
Culture Transformation Leadership Workshop		18	2010
5th Annual Investment Summit	Finance Asia	16	2010
4th Philippine Housing Finance Forum		4	2010

26th ABA General Meeting and Conference	Asian Bankers' Association	15	2009
13th Annual Financial Agents Workshop	The World Bank	24	2009
Derivatives: Mechanics, Valuation, Accounting and Risk	SGV & Co.	16	2009
Trust Banking Operations		7	2009
Corporate Governance/Dev't of Rating System	Institute of Corporate Directors	8	2008
Treasury Risk Management Seminar, Part II	Land Bank of the Philippines	4	2008
Course on Banking Laws, Cases and Issues	Land Bank of the Philippines	7	2008
Treasury Risk Management Seminar, Part I	Land Bank of the Philippines	4	2008
Entrepreneurship & Innovation in a Complex World	Asian Institute of Management		2008
Risk based Internal Audit Approach Roadshow	Land Bank of the Philippines	4	2008
Finex General Membership Meeting	Financial Executives Institute of the Philippines	2	2006
Stress Management Workshop	Land Bank of the Philippines	3	2005
Computer Associates World Conference		40	2005
Negotiation Skills Enhancement & Team Building	Land Bank of the Philippines	4	2005
CES Learning & Nurturing Program	Land Bank of the Philippines	2	2004
Fort: 4 Roles of Leadership		24	2004
Environmental Management System Awareness Training	Land Bank of the Philippines	3	2004
Fort: 7 Habits of Highly Effective People	Land Bank of the Philippines	24	2004
Asia Pacific Bankers Congress		16	2004
Sem/Dialogue on Anti-Money Laundering	Land Bank of the Philippines	8	2003
Corporate Governance Course		16	2002
Leading from Higher Ground		20	2002
New Beginnings Leadership Essentials	Land Bank of the Philippines	8	2002
Study Tour for LBP DBP LGUGC Top Executives			2002
Local Government Unit Credit Financing	Land Bank of the Philippines	8	2002
Modified Performance Management Program	Land Bank of the Philippines	8	2000
Local Government Code Review		3	1999
Training Visit to Tokyo Japan		48	1998
LBP Directors representative To CFIs Brd	Land Bank of the Philippines	16	1998
Accountancy Week Celebration		8	1998

Credit Rating Corporate Analysis	Credit Information Bureau, Inc.	8	1996
Effective Meeting Management Training Program	Land Bank of the Philippines	16	1995
Unified System Project Seminar	Land Bank of the Philippines	16	1995
How to Assist Small & Medium Enterprise	Economic Cooperation Development Fund, Taiwan		1995
Urban Mass Housing & Project Development	Land Bank of the Philippines	8	1994
Mortgage Financing Program Seminar	Land Bank of the Philippines	7	1994
World Bank Single Currency Loan	The World Bank	16	1994
How to Manage Problem Loans Training Course	Euro Money Institute	21	1993
New Performance Appraisal System Seminar	Land Bank of the Philippines	8	1992
Core Credit Program	Land Bank of the Philippines	240	1992
Advance Supervisory Program	Land Bank of the Philippines	32	1992
Leadership Development Workshop	No record	24	1991
Expanded Export Financing Seminar	Bangko Sentral ng Pilipinas	16	1991
Foreign Exchange & Money Market Course	Ateneo- BAP Institute	40	1990
Applied Bank Credit Management Course	Asian Institute Resources	24	1990
Values Formation Seminar		24	1989
Strategic Scanning on Agribus Opportunity		16	1989

Present Position – Government	Position	Date Assumed	
Land Bank of the Philippines	President and CEO	2019	
LBP Leasing and Finance Corporation	Chairperson	2019	
Overseas Filipino Bank, Inc.	Chairperson	2019	
National Food Authority (NFA) Council	Director	2019	
Center for International Trade Expositions and Missions (CITEM)	Director	2019	
Present Position – Other Private Institutions	Position	Date Assumed	
Philippine Dealing System Holdings Corporation	Director	2020	
Philippine Dealing & Exchange Corporation	Director	2020	
Philippine Depository & Trust Corporation	Director	2020	
Philippine Securities Settlement Corporation	Director	2020	
Bankers Association of the Philippines	Director	2019	
Bancnet	Director	2019	
Past Position – This Institution	Position	From	To
Agricultural and Development Lending Sector	Executive Vice President	2012	2017
Institutional Banking & Subsidiaries Sector	Executive Vice President	2009	2012
Institutional Banking & Subsidiaries Sector	Senior Vice President	2008	2008
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
LGU Guarantee Corporation	Director	2017	2019
Bancnet	Director	2017	2019
DBP-Daiwa Capital Markets Philippines, Inc.	Director (Chairperson)	2017	2019
Bankers Association of the Philippines	Director	2017	2019

### William D. Dar

Ex-Officio Member

Secretary, Department of Agriculture

**Age:** 68

**Nationality:** Filipino

**Educational Background:**

Post-Graduate : *Doctor of Philosophy*

University of the Philippines, 1980

*Master of Science, Agronomy*

Mountain State Agricultural College, 1976

College : *Bachelor of Science, Agricultural Education*

Mountain State Agricultural College, 1973

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

Present Position – Government	Position	Date Assumed
Department of Agriculture	Secretary	2019

Agricultural Credit Policy Council	Chairman of the Board	2019
Philippine Fiber Industry Development Authority	Chairman of the Board	2019
Philippine Council for Agriculture & Fisheries	Chairman of the Board	2019
National Meat Inspection Service	Chairman of the Board	2019
Philippine Carabao Center	Chairman of the Board	2019
Philippine Center for Postharvest Development and Mechanization (PhilMech)	Chairman of the Board	2019
Philippine Rubber Research Institute	Chairman of the Board	2019
Fertilizer & Pesticide Authority	Chairman of the Board	2019
National Dairy Authority	Chairman of the Board	2019
National Tobacco Administration (NTA)	Chairman of the Board	2019
Philippine Rice Research Institute	Chairman of the Board	2019
Sugar Regulatory Administration	Chairman of the Board	2019
Land Bank of the Philippines	Ex-Officio Director	2019

Past Position – Other Private Institutions	Position	From	To
Prasad Seeds Phils., Inc.	Country Representative	2018	2019
Prasad Seeds Phils., Inc.	Strategic Adviser	2015	2018
International Crops Research Institute for The Semi-Arid Tropics (Icrisat), India	Director General	2000	2014

### John R. Castriciones

Ex-Officio Member

Secretary, Department of Agrarian Reform (Term ended on August 8, 2021)

**Age:** 59

**Nationality:** Filipino

#### **Educational Background:**

Passed the CY 1991 Bar Examination

Post-Graduate : *Master of Law in Comparative Government and International Laws*

University of Notre Dame, London, 1998

*Bachelor of Laws*

Arellano Law School, 1991

College : *Bachelor of Arts, Political Science*

Trinity College, 1986

*Bachelor of Science, Military Science*

Philippine Military Academy, 1981

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

Nature/Title	Conducted by	Year taken
Corporate Governance Orientation Program	Institute of Corporate Directors	2018
Federalism and Good Governance: Best Practice Learning for Change – An International Benchmarking	Creative Learning, Washington DC, USA	2017
Task Force Electronic Crimes, New York	Department of Finance, USA	2005

Seminar on Whistle Blowing	University of Notre Dame, London	1998
Seminar Against Cybercrimes	National White Collar Crime Center, USA	1998
Colloquium on Teaching	Xavier School	1990

Past Position – Other Private Institutions	Position	From	To
Private Practice	Practicing Lawyer	1993	2015
Arellano University Law School	Law Professor - Bar Lecturer and MCLE Reviewer	1986	2000
Xavier School, Greenhills	Teacher	1986	1990
Past Position – Government	Position	From	To
Department of Agrarian Reform	Secretary	2017	2020
Land Bank of the Philippines	Ex-Officio Director	2017	2020
Department of the Interior and Local Government	Undersecretary for Operations	2016	2017
Office of Senator Aquilino Pimentel	Legal Consultant	2015	2016
ISLES, Department of Transportation and Communications	Director	2009	2010
Land Transportation Franchising and Regulatory Board	Legal Consultant	2006	2007

### Bernie F. Cruz

Ex-Officio Member

Acting Secretary, Department of Agrarian Reform (Assumed position on November 10, 2021)

**Age:** 58

**Nationality:** Filipino

#### Educational Background:

Post-Graduate : *Bachelor of Science, Public Administration*  
Cavite West Point College, 2017

College : *Bachelor of Science, Civil Engineering*  
Manuel L. Quezon University, 1983

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

Present Position – Government	Position	Date Assumed	
Department of Agrarian Reform	Acting Secretary	2021	
Land Bank of the Philippines	Ex-Officio Director	2021	
Past Position – Other Private Institutions	Position	From	To
Agusan Power Inc.	Consultant	2014	2016
Past Position – Government	Position	From	To
Department of Agrarian Reform	Undersecretary	2018	2021
Office of External Affairs	Undersecretary	2008	2010

**Silvestre H. Bello III**

Ex-Officio Member

Secretary, Department of Labor and Employment

**Age:** 77**Nationality:** Filipino**Educational Background:**Post-Graduate : *Bachelor of Laws*

Ateneo De Manila, 1970

College : *Bachelor of Arts, Political Science*

Manuel L. Quezon University, 1966

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

Nature/Title	Conducted by	Year taken
Corporate Governance and Anti-Money Laundering Act Seminar	Philippine Securities Consultancy Corporation (PHILSECC)	2011

Present Position – Government	Position	Date Assumed
Department of Labor and Employment	Secretary	2016
OWWA Board	Chairperson	2016
National Wages and Productivity Council	Chairperson	2016
POEA Board	Chairperson	2016
Sugar Tripartite Council	Chairperson	2016
National Maritime Polytechnic	Chairperson	2016
ECC/OSHC	Chairperson	2016
TESDA Board	Chairperson	2016
National Housing Authority	Ex-Officio Director	2016
PEZA Board	Ex-Officio Director	2016
Philhealth Board	Ex-Officio Director	2016
Dangerous Drugs Board	Ex-Officio Director	2016
Construction Industry Authority of the Philippines	Ex-Officio Director	2016
SSS Board	Ex-Officio Director	2016
Pag-Ibig Board	Ex-Officio Director	2016
Land Bank of the Philippines Board	Ex-Officio Director	2016
Civil Aviation Authority of the Philippines Board	Ex-Officio Director	2016

Past Position – Other Private institution	Position	From	To
San Miguel Purefoods Corp.	Independent Director	2013	2016
CAP College Foundation, Inc.	Board of Director	2012	2016
CAP Realty	Board of Director	2010	2016
Red Eagle Lending Investor Corp.	Board of Director	2009	2016
Camp John Hay Development Corp.	Board of Director	2008	2016
CAP General Insurance Corp.	Board of Director	2007	2016
CAP Philippines Inc.	Board of Director	2006	2016
Comprehensive Annuity Plan & Pension Corp.	Board of Director	2006	2016
CAP Life Insurance Corp.	Board of Director	2006	2016
Philippines Airlines	Board of Advisor	1993	1998
Puerto Azul	Board of Director	1993	1998
Baguio Country Club	Board of Director	1993	1998
Philippine Plaza Hotel	Board of Director	1993	1998
Urban Bank	Board of Director	1988	1990
Ambassador Hotel	Board of Director	1988	1990
Past Position – Government	Position	From	To
House of Representatives	Representative 1BAP Partylist (16th Congress)	2013	2016
Cabinet Secretary	Secretary	2008	2010
Cabinet Officer for Regional Development (CORD) for Region II	Secretary	2008	2010
Cabinet Oversight Officer for IP and NCIP Matters	Secretary	2008	2010
Presidential Adviser for New Government Centers	Secretary	2007	2008
Philippine Reclamation Authority	General Manager and Chief Executive Officer	2006	2006
PNOC Development and Management Corporation	President and Chief Executive Officer	2004	2006
GRP Negotiating Panel for Talks with the CPP/NPA/NDF	Chairman	2001	2004
Department of Justice	Secretary	1998	1998
Office of the Solicitor General	Solicitor General	1996	1998
Department of Justice	Secretary	1990	1992
Department of Justice	Undersecretary	1986	1990

### Virgilio DV. Robes

Representative, Agrarian Reform Beneficiaries

**Age:** 74

**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	Training Hours	Year taken
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)	2	2021
LBP Head Office Procurement Procedures	Land Bank of the Philippines	2	2021
AML/CFT/CPF (BSP Cir. No. 1022) for Directors & Senior Management (For CY 2020)	Bankers Institute of the Philippines, Inc.	3	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

Present Position-Government	Position	Date Assumed	To
Land Bank of the Philippines (LANDBANK)	Member, Board of Directors/Agrarian Reform Beneficiaries	2017	present
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
Past Position-Government	Position	From	To
Province of Bulacan	OIC - Vice Governor	1987	1988
Province of Bulacan	Provincial Consultant	1988	1990

**Atty. Jaime L. Miralles**

Representative, Agrarian Reform Beneficiaries

**Age:** 71**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	Training Hours	Year taken
Trade Finance Overview Webinar	Land Bank of the Philippines		2021
Updating on Anti-Money Laundering Act Webinar	Anti-Money Laundering Secretariat	2	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

Present Position-Government	Position	Date Assumed	To
Land Bank of the Philippines (LANDBANK)	Member, Board of Directors/Agrarian Reform Beneficiaries	2018	present



<b>Present Position-Other Private Institutions</b>	<b>Position</b>	<b>Date Assumed</b>	
Labor Power Movement	Lead Convenor	2014	
Association of Genuine Labor Organization	National President	2006	
<b>Past Position-Other Private Institutions</b>	<b>Position</b>	<b>From</b>	<b>To</b>
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
<b>Past Position-Government</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Home Development Mutual Fund (Pag-Ibig Fund)	Board of Trustees	2010	2018
National Anti-Poverty Commission	Commissioner – representing Labor Sector	1998	1999

**Atty. Jesus V. Hinlo, Jr.**

Representative, Private Sector

**Age:** 50**Nationality:** Filipino**Educational Background:**

Passed the CY2000 Bar Examination and became a lawyer in 2001

Post-Graduate : *Bachelor of Laws*

University of Negros Occidental Recoletos, 1999

College : *Bachelor of Arts, Political Science*

University of Santo Tomas, 1992

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

Nature/Title	Conducted by	Training Hours	Year taken
Mandatory Continuing Legal Education (MCLE for Brevity) Online Course for the 7 <sup>th</sup> Compliance Period	Alternative Center for Continuing Education and Seminar Solutions, Inc. (ACCESS for Brevity)		2021
Building Better Bankers: Fostering a Stronger KYE Program	Association of Bank Compliance Officers, Inc.	2	2021
LBP Head Office Procurement Procedures	Land Bank of the Philippines	2	2021
Updating on Anti-Money Laundering Act Webinar	Anti-Money Laundering Council and Land Bank of the Philippines		2021
Trade Finance Overview	Land Bank of the Philippines		2021
Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Lecture	Anti-Money Laundering Council Secretariat		2020
1st ABCOMP Seminar 2019  Digitization of Customer Records per AMLC Resolution Nos. 141 and 191  2018 Implementing Rules and Regulations on the Amendments to the AMLA 9160  BSP Circular 1022 on Amendments to Part Nine of the MORB and Circular No. 980	Association of Bank Compliance Officers, Inc.		2019
3rd Annual Philippine OpenGov Leadership Forum	OpenGov Asia		2019
Revised Corporation Code	Institute of Corporate Directors		2019
Treasury Products and Operations	Land Bank of the Philippines		2019
Harnessing the Full Potentials of the Cooperatives	Land Bank of the Philippines		2019
Disaster Resiliency	Land Bank of the Philippines		2019
Philippine Banks: Strategic Direction	Land Bank of the Philippines		2019

and Regulatory Agenda, Capital Planning and Risk Management			
Related Party Transactions	Bankers Institute of the Philippines, Inc. (BAIPHIL)		2019
Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) Training Workshop (The workshop is also known as: "Updates on Anti-Money Laundering Act")	Landbank and the Anti-Money Laundering Council Secretariat		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
Enhanced Corporate Governance Guidelines (BSP Cir. Nos. 969, 970, 971 & 972)	Bankers Institute of the Philippines, Inc.		2018
Beyond Compliance: Managing Technology and Cyber Security Risk (Highlighting BSP Cir. No. 982: Enhanced Guidelines on Information Security Management)	Bankers Institute of the Philippines, Inc.		2018
Corporate Governance Orientation Program	Institute of Corporate Directors		2018
Comparative Analysis of Recent Jurisprudence in Commercial Law as Lectured by Atty. Sergio Ceniza during MCLE Lecture Series 52 of the Asian Center for Legal Excellence	Asian Center for Legal Excellence		2018
Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors		2018

Present Position-Government	Position	Date Assumed	To
Land Bank of the Philippines (LANDBANK)	Member, Board of Directors/ Private Sector Representative	2018	2022
Past Position-Other Private Institutions	Position	From	To
JV Hinlo Law Office	Trial Lawyer	2008	2016
Amado Parreño Law Office	Trial Lawyer	2005	2008
E.L. Treyes and JV Hinlo Law Office	Trial Lawyer	2001	2004
Atty. Rowena Guanzon Law Office	Trial Lawyer	2001	2001
San Miguel Corp. Bacolod	Account Specialist	2000	2001
Law Firm Tumangan and Partners	Legal Assistant	1999	2000
Ultra Parts	In charge of Collecting Past Due accounts	1997	1997
Nissan Motors Bacolod	Field Operations Manager	1997	1997
Volkswagen at Philtown Motors Bacolod	Marketing/Sales Manager	1996	1996

Past Position-Government	Position	From	To
Department of the Interior and Local Government	Undersecretary	2016	2017
Department of the Interior and Local Government	Contract of Services	2016	2016
PLEB Bacolod City	Member	2014	2016
PNB General Insurers Co., Inc. - Bacolod Office	OIC	1993	1996
PNB Credit Card Co.	Collection Officer	1992	1993

### Nancy D. Irlanda

Representative, Private Sector

**Age:** 52

**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	Training Hours	Year taken
Governing with Analytics: Building a Predictive Enterprise	Institute of Corporate Directors	2	2021
Trade Finance Overview	Land Bank of the Philippines		2021
Updating on Anti-Money Laundering Act Webinar	Anti-Money Laundering Council	2	2021
LBP Head Office Procurement Procedures	Land Bank of the Philippines	2	2021
Building Better Bankers: Fostering a Stronger KYE Program	Association of Bank Compliance, Officers, Inc. (ABCOMP)	2	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
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
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	To
Land Bank of the Philippines (LANDBANK)	Member, Board of Directors/ Private Sector Representative	2018	present
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

### 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>1</sup>
3. He/She must have attended a special seminar on corporate governance for Board of Directors conducted or accredited by the BSP.<sup>2</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.

---

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

<sup>2</sup> BSP MORB



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>1</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>2</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;
  - 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.

---

<sup>1</sup> GCG MC No. 2012-05

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



## E. POWERS/RESPONSIBILITIES AND DUTIES OF DIRECTORS<sup>1</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.

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

---

<sup>1</sup> BSP Circular Nos. 969, S.2017 and 1129, S.2021

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;

---

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

- c. Exercise control over quality, quantity and timeliness of the flow of information between Management and the Board<sup>1</sup>;
- d. Assists in ensuring compliance with the Bank's guidelines on corporate governance;<sup>2</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>3</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>4</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>5</sup>
  - (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>

---

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

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

<sup>3</sup> BSP Circular No. 749, S. 2012

<sup>4</sup> *Ibid.*

<sup>5</sup> BSP Circular 1127, S. 2021



*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>2</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;
  - 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

---

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

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

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.

---

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

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.
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;

---

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

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).
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.

---

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

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

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;
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



We strictly adhere to the requirements of the *Anti-Red Tape Act (ARTA)* to improve efficiency in the delivery of services to the public by reducing bureaucratic red tape and preventing graft and corruption. All LANDBANK personnel are guided by the principles of professionalism and integrity, and abide by the *Code of Conduct for Employees* and ARTA.

## 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 and CEO shall be elected annually by the members of the Board from among its ranks. 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>

---

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

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

An ex-officio member of the Board may designate as an Alternate to the LANDBANK Board only the following<sup>1</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.

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>2</sup> An independent director may only serve as such for a maximum cumulative term of nine (9) years.<sup>3</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>4</sup>

---

<sup>1</sup> GCG MC No. 2012-08

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

<sup>3</sup> BSP Circular No. 1129, S. 2021

<sup>4</sup> BSP Circular No. 969, S.2017

## **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>1</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 of 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 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

---

<sup>1</sup> Charter of the LBP Audit & Compliance Committee

## **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 have 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.

#### **6.1 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.

#### **6.2 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.

### **6.3 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. Oversee the implementation of the Risk-based Compliance Methodology Manual and the Money Laundering and Terrorist Financing Prevention Program (MLPP).

- c. Review and approve any update/amendment to the Compliance 3 Charter, Compliance Manual, and Money Laundering and 4 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.

#### **6.4 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) issued on 04 October 2004, Circular No. 456, series of 2004 amended the Specific Duties and Responsibilities of the Board of Directors, and required the establishment of the RISK OVERSIGHT COMMITTEE (RISKCOM). Said Circular was later amended with the issuance of BSP Circular 969 on 22 August 2017 to strengthen corporate governance in BSP supervised financial institutions by amending relevant provisions to align existing regulations with the Code of Corporate Governance for publicly listed companies issued by the Securities and Exchange Commission as well as with best practices and standards issued by globally recognized standard setting bodies. Several updated guidelines were also issued detailing the duties of the Board of Directors under each risk management category such as BSPc900 s2016 (Operational Risk), BSPc951 s2017 (BCP), BSPc981 s2017 (Liquidity Risk), BSP c982 (Information Security), BSPc1019 (Technology and Cyber Risk) and BSPc1044 s2019 (IRRBB and Market Risk).

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.

---

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



### 3. Composition

The RISKCOM shall be composed of at least five (5) 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 carryout 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 Operation Risk Management Department (ORMD), Information Security and Technology Risk Management Department (ISTRMD) and ICAAP Team;

- 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 Plan. The RISKCOM shall:

- a) Communicate the risk management plan 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 Plan, 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 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 Process (BCP) 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) (BSPc1044 s2019)

- 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 (BSPc1044 s2019)

- 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) Business Operational Risk

- Policies and procedures on operational risk matters e.g. technology, legal, reputational and personnel 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 Process (BCP) which involves the creation and promotion of an organization-wide culture that places high priority on business continuity;
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.
  8. Oversee the management of future 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. The Enterprise Risk Management Office (ERMO) 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 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 BSP Circular No. 766, series of 2012, 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; ensuring that the operation of its trust business are conducted in accordance with applicable laws, rules and regulations, internal policies and procedures, with the required skill, care, prudence and diligence in the management and administration of fiduciary assets.

---

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

### 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 in such business.

The 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 in finance.

The 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.

The Trust Committee is expected to enhance its 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.

The qualifications of the Trust Officer should be compliant with the minimum requirements of BSP Circular No. 766, series of 2012, or as regulatory authorities may require, and shall possess 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 once every other month or at least six (6) times in a year or more frequently, as the circumstances dictate. All Committee members are expected to attend each meeting in person or through an authorized representative having the same qualification as required by the Bangko Sentral ng Pilipinas.

A quorum will comprise of at least three Trust Committee members consisting a majority of the 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 policies and procedures are in place from account opening to account administration and management up to account termination, in conformity 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 proper implementation of the risk management framework, compliance program and internal controls to ensure that accounts are managed accordingly in different cycle of the market;
- e. Adopt an appropriate organizational structure and staffing complement that will enable the Trust business unit to efficiently carry out its function with utmost diligence and skill; and ensure proper and continuous training for its Trust officers and personnel considering 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;
- 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);

---

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

- 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>

### **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.

---

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

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

- 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

---

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

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.

## 4. Meetings and Procedures

- a. The Related Party Transactions Committee shall meet at least every quarter, with authority to convene for special meetings, as the circumstances require.
- b. The Chairperson shall be the presiding officer during committee meetings.
- c. The Office of the Corporate Secretary shall serve as the Secretariat of the Committee. The RPTCom 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.

## **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.
- 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. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of the Bank's affiliation or transactions with other related parties.
- d. Report quarterly to the Board of Directors 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; and
- f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.



## **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.

## **F. AGRI-AGRA SOCIAL CONCERNS COMMITTEE (AASC COM)<sup>1</sup>**

The AASC Com is responsible for rendering support in the performance of the Board's functions with respect to the Bank's role in the implementation of the Comprehensive Agrarian Reform Program (CARP), and in ensuring that its mandated sector is duly served and made better partners in nation-building.

### **1. Composition**

LANDBANK Agri-Agra Social Concerns Committee shall be composed of five (5) members of the Board of Directors: to include the Secretary of Agriculture (or his/her alternate), the Secretary of Agrarian Reform (or his/her alternate), and the Bank President & CEO. It shall include a Chair, a Vice-Chair and three (3) members, who shall all be appointed/assigned by the Board of Directors.

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

The Agri-Agra Social Concerns Committee shall have the following duties and functions:

- a. Recommend actions on complex land transfer claim issues
- b. Recommend or resolved matters relevant to agri-agra policies of LBP
- c. Monitor the implementation of agri-agra programs of LBP

---

<sup>1</sup> Charter of the LBP Agri-Agra Social Concerns Committee

**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 - Strategic Risk Management (RM) Manual. The following are the components of the BOD - approved RM Manual particularly on Chapter 5 - Enterprise Risk Management:

- Definition of Risk Management
- ERM Process with key activities, tools and deliverables for each step in the ERM Process

- 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 3 of **Volume 1 - Strategic RM Manual** 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.

**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.**

- A. 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:
  1. Fulfilling statutory, fiduciary and regulatory responsibilities.
  2. Advising the Board of Directors, of the overall current and future risk appetite, oversee senior management's adherence to the risk appetite statement.
  3. Ensuring the alignment of risk management objectives with overall business strategies and performance goals.

4. 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:
  - a. Oversee the Bank's **risk management framework**.
    - 1) The Committee shall oversee the enterprise risk management framework and ensure periodic review of the effectiveness of the risk management systems and recovery plans;
    - 2) Ensure that corrective actions are promptly implemented to address risk management concerns.
  - b. Oversee adherence to **risk appetite**.
    - 1) The Committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite;
    - 2) 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.
  - c. 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:
    - 1) Risk Management systems are in place;
    - 2) Limits/tolerance levels are observed;
    - 3) System of limits remain effective; and
    - 4) Immediate corrective actions are taken whenever limits are breached or whenever necessary.
  - d. Ensuring compliance to written policies and procedures relating to the management of risks throughout the Bank.

This shall include:

- 1) Comprehensive risk management approach;
- 2) Detailed structure of limits, guidelines and other parameters used to govern risk-taking units;
- 3) Clear delineation of lines of responsibilities for managing risk;
- 4) Adequate system for measuring risk; and
- 5) Effective internal controls and a comprehensive risk reporting process.

- e. 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
- f. Oversee the continuing education program to enhance its members' understanding of relevant regulatory and banking industry issues.

#### **Proof of effectiveness of risk management strategies:**

- 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 (ICAAP)** which is **submitted annually** to the Bangko Sentral ng Pilipinas (BSP). 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 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 (BCP)** 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**

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

Reference documents:

The Bank adopted the Committee of Sponsoring Organizations for the Treadway Commission (COSO) international ERM framework.

### 1. Documents containing information on the Bank's RM processes and procedures:

a.) LBP's Board approved RM Manual

b.) Various RM policies and guidelines

on:

- information security
- credit risks
- operational risks (people, process, event, legal and IT risks)
- treasury risks (market, liquidity, interest rate, counterparty credit)

c.) Operations Manual of the departments/ Units under the Risk Management Group(RMG) which which implements/performs the Bank's RM function which presents in detail how the RM activities of the following Units are implemented:

- Credit Risk Management Department (CRMD)
- Operational Risk Management Department (ORMD)
- Market and Liquidity Risk Management Department (MLRMD), and
- Information Security and Technology Risk Management Department (ISTRMD)

### 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

## DIRECTOR'S ATTENDANCE TO BOARD AND BOARD-LEVEL COMMITTEE MEETINGS (CY 2021)

Name of Directors	Board Meeting (24 Meetings)		Corporate Governance Committee (9 Meetings)		Audit and Compliance Committee (12 Meetings)		Risk Oversight Committee (13 Meetings)		Trust Committee (6 Meetings)		Agri-Agra Social Concerns Committee (6 Meetings)		Related Party Transactions Committee (6 Meetings)	
	<i>Attended</i>	%	<i>Attended</i>	%	<i>Attended</i>	%	<i>Attended</i>	%	<i>Attended</i>	%	<i>Attended</i>	%	<i>Attended</i>	%
1. Carlos G. Dominguez	24	100.00	N/A	-	N/A	-	13	100.00	6	100.00	N/A	-	N/A	-
2. Cecilia C. Borromeo	22	91.67	N/A	-	N/A	-	N/A	-	6	100.00	6	100.0	N/A	-
3. William D. Dar	23	95.83	N/A	-	N/A	-	2	15.38	N/A	-	5	83.33	N/A	-
4. John R. Castriciones <sup>/1</sup>	18 out of 18	100.00	N/A	-	N/A	-	N/A	-	5 out of 5	100.00	4 out of 5	80.00	N/A	-
5. Bernie F. Cruz <sup>/2</sup>	4 out of 4	100.00	N/A	-	N/A	-	N/A	-	1 out of 1	100.00	N/A	-	N/A	-
6. Silvestre H. Bello III	22	91.67	N/A	-	N/A	-	N/A	-	6	100.00	N/A	-	N/A	-
7. Virgilio D. Robes	24	100.00	9	100.00	12	100.00	N/A	-	N/A	-	6	100.00	N/A	-
8. Jaime L. Miralles	24	100.00	N/A	-	12	100.00	13	100.00	N/A	-	6	100.00	6	100.00
9. Jesus V. Hinlo, Jr.	24	100.00	9	100.00	12	100.00	13	100.00	N/A	-	N/A	-	6	100.00
10. Nancy D. Irlanda	24	100.00	9	100.00	N/A	-	13	100.00	6	100.00	N/A	-	6	100.00
<b>Total Number of Meetings Held During the Year : 76</b>														

<sup>/1</sup> End of term as DAR Secretary effective October 8, 2021<sup>/2</sup> Assumed the position as Acting DAR Secretary effective November 10, 2021



**H. POWER OF GOVERNING BOARD TO DISCIPLINE/REMOVE OFFICERS<sup>1</sup>**

Subject to existing civil service laws, rules and regulations, and in ensuring compliance with the requirements of due process, the Board shall have the authority to discipline, or remove from office, the President and CEO, or any officer and employee, upon a majority vote of the members of the Board who actually took part in the deliberation.

**CHAPTER 5****INTERLOCKING DIRECTORSHIPS AND/OR OFFICERSHIPS<sup>2</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;

---

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

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

- 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.

*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 6**

### **COMPLIANCE SYSTEM<sup>1</sup>**

**A. Mandate**

LANDBANK is a government-owned universal bank committed to carry out its business in accordance with all applicable laws, rules, regulations, internal policies and procedures, and the highest ethical standards and practice of good corporate governance.

**B. Purpose**

This Compliance Function Charter defines the fundamental principles, rules and responsibilities of the Compliance Function in LANDBANK, its relationship with the Senior Management, the Audit and Compliance Committee, the Board of Directors and the Business Units as well as the performance of its mandated Compliance Function that is integrated in the overall risk management strategy.

---

<sup>1</sup> LBP Compliance Charter



- d. Serve as clearing house for agri-agra programs of LBP that need approval of the LBP Board of Directors
- e. Attend to other functions as may be assigned by the LBP Board of Directors

## **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>

---

<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;

---

<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>

---

<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 2021, 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 4, 2022 (CGCom Resolution Nos. 22-010 to 22-016).

Attached are the self-assessments conducted for the whole Board, the individual members and the Committees. The Chairman of the LANDBANK Board did not accomplish the PRS considering that based on the guidelines, a Director must attend at least a minimum of six Board meetings in order to be qualified to fill out the PRS. Thus, his alternates (Treas. Rosalia De Leon and Deputy Treas. Erwin Sta. Ana) accomplished the PRS on his behalf.

# 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?					

Comments, Observations, &amp; Suggestions:

[illegible]

*Signature of Director*

---

*Date Accomplished*

---



## 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				
Competence and Independence	1	2	3	4	5
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?					

Commitment to Corporate Governance	1	2	3	4	5
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?					
37. Am I diligent, faithful, and punctual in attending Board Committee meetings of which I am a member?					
38. As a member or head of a Board Committee, do I ensure that the Board is duly informed on the work of the Committee?					

Comments, Observations, &amp; Suggestions:

[illegible]

*Signature of Director*

*Date Accomplished*





## 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				
Composition		1	2	3	4	5
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:



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	RATING				
	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.					



*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				
Composition		1	2	3	4	5
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.					



Tasks	1	2	3	4	5
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.					

Comments, Observations, &amp; Suggestions:

[illegible]

Signature of Director

Date Accomplished

---

## **Performance Rating System**

**Evaluation:**

# **Related Party Transactions Committee 2021**



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:

---



---



---



---



---



---



---





---

---

---

---

---

---

*Signature of Director*

*Date Accomplished*

---

---

## Performance Rating System

Evaluation:

### Agri-Agra Social Concerns Committee (AASCC)



This rating instrument includes questions on the Agri-Agra Social Concerns Committee's:

- I. Composition
- II. Processes
- III. Remuneration Program
- IV. Tasks

The final scores:	80% - 84.99%	Acceptable
	85% - 94.99%	Above Acceptable
	95% -100.00%	Exemplary

## Evaluation: Agri-Agra Social Concerns Committee

Following LBP's mandate under existing laws and its extraordinary role as a CARP implementing agency, the Board of Directors is required to proactively develop non-credit programs and policies in order to promote countryside development through sustainable financing and social banking.

Evaluating the Agri-Agra Social Concerns Committee's performance is an important evaluation tool to validate the Committee's and its members' responsibilities and manage expectations. This exercise identifies the strengths and areas for improvement, helping you to set goals for a more effective performance.

In making an assessment of the Agri-Agra Social Concerns 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				
I. Composition		1	2	3	4	5
1. The AASCC is composed of at least five members.						
2. The AASCC's membership has an appropriately high level of skills, expertise, experience, and authority on CARP and other agri-agra matters.						
3. The AASCC's membership has an adequate knowledge to formulate non-credit and social concerns programs and policies to improve the delivery of the bank services on CARP and other agri-agra matters.						
4. The AASCC members have no close relationship (up to third degree of affinity or consanguinity) with anyone in senior management of the Bank.						
5. If the AASCC member is a DOSRI (Director, Owner, Shareholder or Related Interest) with regard to a claim to be taken up for evaluation/approval, the DOSRI member discloses the relationship and inhibits himself from the discussion of the account by stepping out of the room.						
6. The AASCC's 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.						

  

II. Processes		1	2	3	4	5
7. The AASCC meetings are held once a month.						
8. The AASCC uses an annual calendar to plan meetings, address issues and align with planning and reporting cycles.						

9. The AASCC is assisted by a Secretariat to give administrative support to its activities.					
10. The AASCC may request any Bank director, officers or employees, or other persons whose advice and/or expertise are sought by the former, during its regular meetings to render a report or to clarify relevant issues and matters.					
11. The AASCC has access to outside professional advice (legal, information technology, etc.), if necessary.					
12. The AASCC receives the right information it needs to fulfill its responsibilities in a timely manner.					
13. The AASCC sets the direction for the Committee through a clear and specific charter approved by the LBP Board, understood by all Committee members, and used to guide Committee activities.					
14. Discussions at Committee meetings are open, respectful and opposing views are effectively communicated.					
15. There is effective, open communication between Committee members.					
16. There is effective, open communication between the Committee and management.					
17. The AASCC carries out its duties diligently and effectively.					
18. The AASCC reviews its charter annually to determine whether its responsibilities are adequately described and recommends amendments whenever necessary.					
19. The AASCC produces meaningful, timely, and focused reports to the Board.					
20. The AASCC's minutes are clear, useful, and confirmed regularly by the Board.					

<b>III. Remuneration Program</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
21. The AASCC recommends reasonable remuneration to be paid to the Board of Directors.					

<b>IV. Tasks</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
22. The AASCC serves as a clearing house for CARP-related non-credit programs of LBP including matters related to agrarian reform, land valuation and collection of land amortizations.					
23. The AASCC prepares and submits timely and relevant reports to the Board.					
24. The AASCC has authority to endorse resolutions or recommendations to the Board, Management or appropriate Bank units.					
25. The AASCC ensures monitoring of the implementation of various non-credit agri-agra and social concerns programs of the bank.					

Comments, Observations, & Suggestions:

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

*Signature of Director*

---

*Date Accomplished*

---

## 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.

CHECKLIST	RATING				
I. FULFILLMENT OF MANDATE	1	2	3	4	5
<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>					
II. COMPOSITION AND QUALIFICATIONS	1	2	3	4	5
<ul style="list-style-type: none"> <li>At least 5 Qualified Members</li> <li>With Continuous Training</li> </ul>					
III. OVERSIGHT RESPONSIBILITIES	1	2	3	4	5
<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>					
IV. PERFORMANCE OF THE MEMBERS	1	2	3	4	5



## 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:**

---

---

---

---

**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.

**From:** "ICTD Submission" <ictdsubmission+canned.response@sec.gov.ph>  
**To:** FREY-HIPOLITO@mail.landbank.com



**Date:** Thursday, April 07, 2022 02:28PM  
**Subject:** Re: LANDBANK's MANUAL ON CORPORATE GOVERNANCE

History: ➔ This message has been forwarded.

---

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.  
(Subject to Verification and Review of the Quality of the Attached Document)  
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at [www.sec.gov.ph](http://www.sec.gov.ph)

---

## NOTICE

Please be informed that 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, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

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

**Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.**

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** 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)

FOR MC28, please email to:

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

**For your information and guidance.**

**Thank you and keep safe.**