

LAND BANK OF THE PHILIPPINES

BOARD-LEVEL COMMITTEES *(As of February 28, 2020)*

A. AUDIT AND COMPLIANCE COMMITTEE

Chairperson:	Dir. Jesus V. Hinlo, Jr.
Vice Chairperson:	Dir. Jaime L. Miralles
Member:	Dir. Virgilio D. Robes

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

1. For Internal Audit and Internal Control (BSP Circular 871)
 - a. To oversee Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets
 - b. To oversee the internal audit function
2. For Compliance (BSP Circulars 972 and 950, as amended by 1022, Series of 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 Financing of Terrorism (AML/CFT) compliance management is adequate

It shall have the following duties and responsibilities:

1. 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.
2. Provide an open avenue of communication, among the internal auditors, external auditors, Senior Management, the Board of Directors and other supervisory authority.

3. Provide functional supervision over the Internal Audit Group and Compliance Management Group to ensure effective performance of their functions.
4. 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).
5. 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.
6. Utilize the work conducted by internal audit and compliance functions by undertaking timely and effective actions on issues identified.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.

Meetings

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

No. of Audit & Compliance Committee Meetings for CY 2019: 15

B. RISK OVERSIGHT COMMITTEE

Chairperson: Dir. Jaime L. Miralles
Vice Chairperson: DOF Sec. Carlos G. Dominguez
(Alternate Member: *Treasurer* Rosalia V. de Leon/*Deputy Treasurer* Erwin D. Sta. Ana)
Members: DA Sec. William D. Dar
Dir. Jesus V. Hinlo, Jr.
Dir. Nancy I. Tanjuatco

The Risk Oversight Committee (Risk Com) shall be primarily responsible for:

1. Fulfilling statutory, fiduciary and regulatory responsibilities.
2. Assisting the Board in defining the risk appetite of the Bank.
3. Ensuring alignment of risk management objectives with overall business strategies and performance goals.
4. Developing and overseeing the risk management programs of the Bank which include the following:
 - a. Oversight of management functions and approval of proposals regarding the Bank's policies, procedures and best practices relative to asset and liability management, credit, market and business operational risks 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.
 - b. 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. Developing a continuing education program to enhance its members' understanding of relevant regulatory and banking industry issues.

Meetings

1. The Risk Com shall establish its own rules of procedures consistent with the Bank's Charter and this Charter;
2. The Risk Com shall meet monthly or as often as it considers necessary and appropriate. A majority of the members will constitute a quorum. The Risk Com Chairperson or the majority of its members may call a special meeting when deemed necessary. An annual calendar shall be prepared to plan meetings, address issues and align with planning and reporting cycles.
3. A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee at least three (3) working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.
4. The Risk Management Group (RMG) shall serve as the Secretariat of the Risk Com and shall maintain written minutes of its meetings. The minutes of meetings and actions on matters arising from the minutes taken shall be reported to and noted by the Board.
5. The Risk Com may request any director, officer or employee of the Bank, or other persons whose advice and counsel are sought by the latter, to attend a meeting in order to provide information as it deems necessary.

No. of Risk Com Meetings for CY 2019: 14

C. TRUST COMMITTEE

Chairperson:	DAR Sec. John R. Castriciones (Alternate Member: Usec. Luis Meinrado C. Pañgulayan)
Vice Chairperson:	DOF Sec. Carlos G. Dominguez (Alternate Member: <i>Treasurer</i> Rosalia V. de Leon/ <i>Deputy Treasurer</i> Erwin D. Sta. Ana)
Members:	President and CEO Cecilia C. Borromeo/Head, BBS DOLE Sec. Silvestre H. Bello III (Alternate Member: Usec. Benjo S. Benavidez / Asec. Alex V. Avila) Dir. Nancy I. Tanjuatco The Trust Officer

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 Com shall oversee the performance of the Trust Officer who is vested with the function and responsibility of managing the day-to-day fiduciary activities.

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.

No. of Trust Com Meetings for CY 2019: 6

D. CORPORATE GOVERNANCE COMMITTEE

Chairperson:	Dir. Nancy I. Tanjuatco
Vice Chairperson:	Dir. Jesus V. Hinlo, Jr.
Members:	Dir. Virgilio D. Robes

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);
- 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;

- I. To promote transparency and operational responsibility and accountability in a manner consistent with the Bank's vision, mission, strategic intent and operating values.

Meetings

- a. The Chair, or in his absence, the Vice Chair, shall be the presiding officer during Committee meetings. In their absence, the members present shall designate an acting presiding officer from among themselves.
- b. The Committee shall meet quarterly or as often as it is considered necessary and appropriate. The Committee Chair or the majority of its members may call a special meeting when deemed necessary.
- c. The presence of two (2) 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.

No. of CG Com Meetings for CY 2019: 8

E. RELATED PARTY TRANSACTIONS COMMITTEE

Chairperson:	Dir. Nancy I. Tanjuatco
Vice Chairperson:	Dir. Jaime L. Miralles
Member:	Dir. Jesus V. Hinlo, Jr.

The RPT shall have the following duties and responsibilities:

- a. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships 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 (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - (1) The related party's relationship to the bank and interest in the transaction;
 - (2) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - (3) The benefits to the bank of the proposed RPT;
 - (4) The availability of other sources of comparable products or services; and
 - (5) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The bank shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs.

All RPTs that are considered material based on bank's internal policies shall be endorsed by the RPT Committee to the board of directors for approval.

- 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 conflict 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 transaction with other related parties.

- d. Report to the board of directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- e. Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

Meetings

- 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.

No. of RPT Meetings for CY 2019: 7

F. AGRI-AGRA SOCIAL CONCERNS COMMITTEE

Chairperson:	President and CEO Cecilia C. Borromeo
Vice-Chairperson:	DAR Sec. John R. Castriciones (Alternate Member: Usec. Luis Meinrado C. Pañgulayan)
Members:	DA Sec. William D. Dar Dir. Jaime L. Miralles Dir. Virgilio D. Robes

The Agri-Agra Social Concerns Committee (AASC) shall have the following functions:

1. Recommend actions on complex land transfer claim issues
2. Recommend or resolve matters relevant to agri-agra policies of LBP
3. Monitor the implementation of agri-agra programs of LBP
4. Serve as clearing house for agri-agra programs of LBP that need approval by the LBP Board of Directors
5. Attend to other functions as may be assigned by the Board of Directors

Meetings

1. Meetings of the Committee shall be presided over by the Chair or, in his absence, the Vice Chair.
2. The Committee shall have regular monthly meetings. Special meetings may, however, be called as may be necessary and appropriate. The Committee Chair or the majority of its members may call a special meeting when deemed necessary.
3. The presence of three (3) members will constitute a quorum in all meetings of the Committee. They shall be entitled to per diems which shall be determined and approved by the LANDBANK Board.
4. The Committee may invite any of the Bank's directors, officers or employees or other resource persons during its regular or special meetings to render a report or to clarify relevant issues and matters confronting the Committee.
5. The Committee shall report to the LANDBANK Board of Directors the minutes and actions taken during meetings.

No. of AASCC Meetings for CY 2019: 8