

Board's Overall Responsibility (2023)

The LANDBANK Board of Directors assumes certain responsibilities to the Bank's various stakeholders – the Bank itself, its stockholder, the National Government; its clients, its management and employees, the regulators, the deposit insurer and the public at large. These stakeholders have the right to expect that the institution is being managed in a prudent and sound manner. The Board of Directors is primarily responsible for the approval and oversight of the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. It is also responsible for the monitoring and oversight of the performance of senior management as the latter manages the day-to-day affairs of LANDBANK. The LANDBANK Board reviewed and approved the Bank's Vision and Mission and Strategy Map on 18 December 2023, Board Reso. No. 23-848.

The LANDBANK Board sets the overall policies and strategic directions of the Bank, which serve as the guide of management and operating units in the day-to-day operations. Moreover, the LANDBANK Board provides the oversight functions in the overall Bank performance, and champions good corporate governance by strong adherence to ethical standards and compliance with legal, institutional and regulatory requirements. The Board also ensures that the Bank remains accountable to its various stakeholders.

All Members of the Board of Directors are expected to abide by the following:

- a. Remain fit and proper for the position for the duration of his term.
- b. Conduct fair business transactions with the Bank and to ensure that personal interest does not bias board decisions
- c. 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
- d. Devote time and attention necessary to properly discharge his duties and responsibilities
- e. Act judiciously. Before deciding on any matter brought before the Board of Directors, every Director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary



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f. 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. Exercise independent judgment. A Director shall view each problem or situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollary, he shall support plans and ideas that he thinks are beneficial to the institution.

h. Have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of the LANDBANK Charter and by-laws, the requirements of the BSP, and the pertinent government agencies.

i. Observe confidentiality. A Director should observe the confidentiality of non-public information acquired by reason of his position as Director. He shall not disclose any information to any other person without the authority of the Board.

j. Ensure the continuing soundness, effectiveness and adequacy of the Bank's control environment.

k. 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.

l. Attend orientation and training. A Director shall have an adequate orientation process and continuous development and education regarding the Bank's operations. Description of the Role and Contribution of Executive, Non-executive and Independent Directors, and of the Chairman of the Board

1. Chairman of the Board of Directors (Non-executive)

The Chairman of the LANDBANK Board of Directors is responsible for the efficient functioning of the Board. He 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. He makes certain that the meeting's agenda focuses on strategic matters, including the overall risk appetite of the corporation, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations. He exercises



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control over quality, quantity and timeliness of the flow of information between Management and the Board. He ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.

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2. Vice Chairperson (Executive Director)

The Vice Chairperson of the Board of Directors is the Bank's President and CEO. The President of the Philippines issues two appointment letters to the LANDBANK President and CEO – one appoints him as the Bank's Head of Agency and another as one of its appointive directors.

In the absence of the Chairman of the Board, the Vice Chairperson presides over the meetings of the Board.

Among the nine members of the LANDBANK Board of Directors, the Vice Chairperson is the sole executive director in the Board of Directors.

3. Non-Executive Directors

The non-executive directors shall perform the duties and responsibilities of a director as prescribed by the LANDBANK Charter, BSP MORB, GCG rules and regulations,



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and other laws and issuances as may be applicable. In addition, the Board, consisting of the non-executive directors has disciplinary powers over the President, an executive director, and may remove him for cause.

4. Independent Directors

The Board of Directors appoints/nominates the independent directors from among the appointive directors, seeking thereafter the confirmation of such nomination by the Monetary Board. For 2023, the independent directors were Directors Jaime L. Miralles (Term ended on 23 February 2023), Nancy D. Irlanda, David D. Erro and Dir. Virginia N. Orogo.

In the nomination of an independent director, the Board of Directors ensures that the nominee will be able to devote sufficient time to effectively carry out his duties and responsibilities.

Pursuant to BSP Circular No. 969, s. 2017, the independent directors are members of the following Board-level committees:

- a. Audit and Compliance Committee (with at least three members, majority shall be independent including the Chairperson);
- b. Corporate Governance Committee (with at least three members, majority shall be independent including the Chairperson);
- c. Risk Oversight Committee (with at least three members, majority shall be independent including the Chairperson);
- d. Trust Committee (with at least three (3) qualified Non-executive or Independent Directors or Qualified Independent professionals appointed by the Board of Directors); and
- e. Related Party Transactions Committee (with at least three members, two of whom shall be independent including the Chairperson).