

2018

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GOVERNMENT CORPORATION NAME: **PHILIPPINE POSTAL CORPORATION**

BOARD COMMITTEES	FUNCTION	COMPOSITION
EXECUTIVE COMMITTEE	<p>The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by a vote of at least two-thirds (2/3) of its members on such specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee in accordance with the Corporation's Charter, except with respect to (GCG MC 2012-07, Sec. 16.1):</p> <ul style="list-style-type: none"> o Approval of any action for which shareholders' approval is also required (GCG MC 2012-07, Sec. 16.1(a)); o Filling of vacancies on the Board in the Executive Committee (GCG MC 2012-07, Sec. 16.1(b)); o Amendment or repeal of By-Laws or the adoption of new By-Laws (GCG MC 2012-07, Sec. 16.1(c)); o Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal (GCG MC 2012-07, Sec. 16.1(d)); o Distribution of cash dividends (GCG MC 2012-07, Sec. 16.1(e)); and o Exercise of powers delegated by the Board exclusively to other committees (GCG MC 2012-07, Sec. 16.1(f)). 	<p>Chairman - Norman N. Fulgencio Members - Joel L. Otarra - Cristina E. Caringal - Ridgway M. Tanjili - Raul B. Bendigo - Liberty C. Avila</p> <p><i>*Reconstituted on February 2, 2018 through Execom Resolution No. 2018-1:</i></p> <p>Chairman - Norman N. Fulgencio Members - Joel L. Otarra - Cristina E. Caringal - Ridgway M. Tanjili - Raul B. Bendigo - Liberty C. Avila - Pelagio S. Paguican</p>
GOVERNANCE COMMITTEE	<ul style="list-style-type: none"> o Oversee the periodic performance evaluation of the Board and its committees and Management; and shall also conduct an annual self-evaluation of their performance; o 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). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards; o Recommend to the Board regarding the continuing education of Directors, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and o Recommend the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder's value. 	<p>Chairman - Norman N. Fulgencio Vice Chairman - Raul B. Bendigo Members - Joel L. Otarra - Ridgway M. Tanjili - Cristina E. Caringal - Liberty C. Avila</p> <p><i>*Reconstituted on February 2, 2018 through</i></p> <p>Chairman - Norman N. Fulgencio Vice Chairman - Raul B. Bendigo Members - Joel L. Otarra - Ridgway M. Tanjili - Cristina E. Caringal - Liberty C. Avila - Pelagio S. Paguican</p>
AUDIT COMMITTEE	<ul style="list-style-type: none"> o Oversee, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, engage and provide oversight of the Corporation's internal and external auditors, and coordinate with the Commission on Audit (COA); o Review and approve audit scope and frequency, and the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements; o Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. (SEC Manual on Corporate Governance – Model Corporation) o Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform: <ul style="list-style-type: none"> a. A definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standards (IAS) compliant. 	<p>Chairman - Cristina E. Caringal Members - Norman N. Fulgencio - Ridgway M. Tanjili - Raul B. Bendigo</p> <p><i>*Reconstituted on February 2, 2018 through Execom Resolution No. 2018-1:</i></p> <p>Chairman - Cristina E. Caringal Members - Norman N. Fulgencio - Ridgway M. Tanjili - Raul B. Bendigo - Liberty C. Avila - Pelagio S. Paguican</p>

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	<p>b. An accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task. (SEC Manual on Corporate Governance – Model Corporation)</p> <p>o Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;</p> <p>o Ensure that internal auditors have free and full access to all the Corporation’s records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;</p> <p>o Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; and (SEC Manual on Corporate Governance – Model Corporation)</p> <p>o Determine the Organizational Structure and Staffing Pattern of the Internal Audit Office; and screen and evaluate the qualifications of all internal audit personnel prior to their hiring/appointment, promotion, or transfer.</p> <p>o Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation’s through a policies and step-by-step procedures handbook that will be used by the entire organization.</p>	
<p>NOMINATION & REMUNERATION COMMITTEE</p>	<p>o Install and maintain a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations; (GCG MC 2012-07, Sec 16.4(a))</p> <p>o Review and evaluate the qualifications of all persons nominated to positions in the Corporation which require appointment by the Board; (GCG MC 2012-07, Sec 16.4(b))</p> <p>o Recommend to the GCG nominees for the shortlist in line with the Corporation’s and its subsidiaries’ Board composition and succession plan; (GCG MC 2012-07, Sec 16.4(c))</p> <p>o Develop recommendations to the GCG for updating the Compensation and Position Classification Standards (CPCS) and ensuring that the same continues to be consistent with the Corporation’s culture, strategy, control environment, as well as the pertinent laws, rules and regulations; (GCG MC 2012-07, Sec 16.4(d))</p> <p>o Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once appointed/hired; (SEC Manual on Corporate Governance – Model Corporation)</p> <p>o Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and (SEC Manual on Corporate Governance – Model Corporation)</p> <p>o Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above. (SEC Manual on Corporate Governance – Model Corporation)</p>	<p>Chairman - Ridgway M. Tanjili Members - Norman N. Fulgencio - Cristina E. Caringal - Raul B. Bendigo</p> <p><i>*Reconstituted on February 2, 2018 through Execom Resolution No. 2018-1:</i></p> <p>Chairman - Ridgway M. Tanjili Members - Norman N. Fulgencio - Cristina E. Caringal - Raul B. Bendigo - Liberty C. Avila - Pelagio S. Paguican</p> <p><i>*On August 30, 2018, Dir. Liberty C. Avila was</i></p>

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<p>RISK MANAGEMENT COMMITTEE</p>	<p>o Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the Corporation, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities; (GCG MC 2012-07, Sec 16.2.5(a))</p> <p>o Developing the Risk Management Policy of the Corporation, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the Corporation, especially at the Board and Management level; (GCG MC 2012-07, Sec 16.2.5(b))and</p> <p>o Providing quarterly reporting and updating the Board on key risk management issues as ad hoc reporting and evaluation on investment proposals. (GCG MC 2012-07, Sec 16.2.5(c))</p>	<p>Chairman - Norman N. Fulgencio Vice Chairman - Raul B. Bendigo Members - Cristina E. Caringal - Ridgway M. Tanjili - Liberty C. Avila</p> <p><i>*Reconstituted on February 2, 2018 through Execom Resolution No. 2018-1:</i></p> <p>Chairman - Raul B. Bendigo Vice Chairman - Pelagio S. Paguican Members - Norman N. Fulgencio - Cristina E. Caringal - Ridgway M. Tanjili - Liberty C. Avila</p>
<p>NOTE: USE ADDITIONAL SHEET IF NECESSARY</p>		