



Republic of the Philippines
Office of the President
Philippine Postal Corporation

ANNUAL

CORPORATE GOVERNANCE

REPORT

2021



Table of Contents

I. PHLPOST BOARD OF DIRETORS	4
A. Composition.....	4
B. Biographical details.....	4
C. Trainings attended	8
II. BOARD RESPONSIBILITY	12
A. Review of Vision, Mission, and Strategy	12
B. Monitor/Oversee implementation of Corporate Strategy	12
C. Code of Conduct and Ethics	12
III. BOARD COMMITTEES	13
A. Executive Committee.....	13
B. Governance Committee	14
C. Audit Committee	14
D. Nomination and Remuneration Committee.....	16
E. Risk Management Committee	17
IV. MEETING SCHEDULE	18
A. Board Meeting (Scheduled and Actual).....	18
B. Committee Meetings (Scheduled and Actual).....	19
V. ATTENDANCE ON MEETINGS	20
A. Board Meetings	20
B. Committees.....	20
1. Executive Committee.....	20
2. Audit Committee	21
3. Governance Committee.....	21
4. Nomination and Remuneration Committee.....	22
5. Risk Management Committee	22
C. Summary.....	23
VI. ISSUANCE OF NOTICES, AGENDA AND MATERIALS	23

VII. THE CORPORATE SECRETARY	23
VIII. BOARD ORIENTATION PROGRAM	24
IX. COMMITTEE REPORTS	25
A. Audit Committee Report	25
B. Nomination and Remuneration Committee Report.....	26
C. Risk Management Committee Report	26
X. RISK MANAGEMENT	26
XI. INTERNAL AUDIT AND CONTROL	27
XII. BOARD ASSESSMENT	27
A. CY2021 Result	27

I. PHLPOST BOARD OF DIRECTORS

A. Composition of the Board of Directors:

Name	Position	Date appointed	Date assumed
Norman N. Fulgencio	Chairman	2016-Nov-7	2016-Nov-17
	Postmaster General/CEO	2021-Feb-26 ¹	2021-Mar-14
Raul B. Bendigo	Board Member	2017-Jan-20	2017-Feb-2
	Chairman	2021-Feb-26 ²	2021-Mar-14
Ridgway M. Tanjili	Board Member	2016-Nov-7	2016-Nov-17
Cristina E. Caringal	Board Member	2016-Nov-7	2016-Nov-17
Liberty C. Avila	Board Member	2017-May-10	2017-Jun-8
Pelagio S. Paguican	Board Member	2018-Jan-9	2018-Jan-16
Vidal E. Querol	Board Member	2021-Aug-10 ³	2021-Aug-17

B. Biographical details of the Members of the Board

Director's Name	Age	Education	Previous/Present Positions/Affiliations
Chairman Raul B. Bendigo	70	<ul style="list-style-type: none"> Bachelor of Laws (LLB), 1979 AB Political Science, 1975 	<ul style="list-style-type: none"> <i>President & General Manager, Amlor Realty and Development Corporation</i> <i>Incorporator and Vice-President, Las Terrazas Homeowners' Association</i> <i>Former Program Implementor and Consultant of Witness Protection Security and Benefit Programs at DOJ Manila, Region XI, and Davao City</i> <i>Former City Prosecutor, DOJ Region XI</i> <i>Former Law Professor, Ateneo de Davao University, College of Law</i> <i>Former Member,</i>

¹ Norman N. Fulgencio was nominated as Postmaster General & CEO vice Joel L. Otarra †

² Raul B. Bendigo was nominated as Chairman of the Board vice Norman N. Fulgencio

³ Vidal E. Querol was appointed as Member of the Board of Directors vice Joel L. Otarra †

			<p>Prosecutors League, and Chief Prosecutors' Association</p> <ul style="list-style-type: none"> • <i>Member, Aquila Legis Fraternity</i>
<p>Postmaster General & CEO Norman N. Fulgencio</p>	51	<ul style="list-style-type: none"> • Bachelor of Science in Commerce Major in Management, 1996 	<ul style="list-style-type: none"> • <i>Former Director, Sure Great International Logistics Limited</i> • <i>Former President & CEO of IRS Eastern Inc., NHJ Horizon, NDC Container Services, Inc., Oddcubes, Inc., Mstar Ship Agencies, Inc., Celadon Quadrant Services, Inc., and Container Bridge Philippines, Inc.</i> • <i>Former President, NDC Terminal Inc.</i> • <i>Former Equipment Control Manager, TMS Ship Agencies</i> • <i>Former Operations Officer, Conhaul Marine Inc.</i> • <i>Secretary General, PDP-Laban</i>
<p>Director Ridgway M. Tanjili</p>	70	<ul style="list-style-type: none"> • Career Executive Service Officer II • Master in Public Administration, 1994 • Bachelor of Laws, 1975 • AB Political Science, 1971 	<ul style="list-style-type: none"> • <i>Former Presiding Judge, RTC 15 Davao City</i> • <i>Former Regional Public Attorney, Public Attorney's Office</i> • <i>Former Supervising Citizens Attorney</i> • <i>Customs Legal Officer, Bureau of Customs</i> • <i>Former Law Instructor, Harvardian College of Law</i> • <i>Former Practicing Lawyer</i> • <i>Member, Guardian Brotherhood Inc., Davao United Muslims Professionals Association, and Signa Legis Fraternity</i>
<p>Director Cristina E. Caringal</p>	61	<ul style="list-style-type: none"> • Bachelor of Science in Commerce Major in Accounting, 	<ul style="list-style-type: none"> • <i>Former Vice President, Sultan Kudarat Milling and Trading Inc.</i> • <i>Former Sales & Operations Senior Manager, Onestop</i>

		1980	<ul style="list-style-type: none"> Logistics Solutions Incorporated • <i>Former LCL Group Manager</i>, Lorenzo Shipping Corporation • <i>Former Logistics Manager</i>, Lorenzo Shipping Corporation • <i>Former Credits & Collection Manager</i>, Lorenzo Shipping Corporation • <i>Former Accountant</i>, El Grande Shipping Agency Corporation • <i>Former Accounting Supervisor</i>, El Grande Shipping Corporation • <i>Deputy Head – Treasury Division</i>, Premiere Financing Corporation
Director Liberty C. Avila	35	<ul style="list-style-type: none"> • BSBA Major in Marketing Management, 2014 • BS Accountancy, 2008 	<ul style="list-style-type: none"> • <i>Proprietor</i>, Avila Antiquities • <i>Former Proprietor</i>, Malaya Marketing
Director Pelagio S. Paguican	66	<ul style="list-style-type: none"> • Bachelor of Laws, 1979 • Bachelor of Arts Major In Political Science, 1975 	<ul style="list-style-type: none"> • <i>Former Board Member</i>, Philippine Post Bank, Overseas Filipino Bank Center • <i>Former Executive Judge</i>, Regional Trial Court Davao City • <i>Former Judge</i>, RTC, Branch 12, Davao City and Branch, Lupon, Davao Oriental • <i>Former Acting Presiding Judge</i>, RTC, Branch 5, 6, 7 and 12 Branch 34 • <i>Former District Citizens Attorney</i>, CLAD, (Now PAO) Department of Justice • <i>Former Citizens Attorney</i>, CLAD, Department of

			<p>Justice Digos, Davao Del Sur</p> <ul style="list-style-type: none"> • <i>Former Legal Officer 1, National Pollution Control Commission, Davao City</i> • <i>Former Special Counsel, Philippine National Bank Davao city and Cotabato</i> • <i>Former Part-Time Law Professor, College of Law and College of Commerce</i> • <i>Former Practicing Lawyer, ABC Law Office, Davao City</i>
Director Vidal E. Querol	71	<ul style="list-style-type: none"> • Master in Public Administration, 1998 • Bachelor of Science, Philippine Military Academy, 1973 	<ul style="list-style-type: none"> • <i>Founding President, Outstanding Women in Law Enforcement and National Security</i> • <i>Trustee, Philippine Council for Foreign Relations</i> • <i>Chairman & President, Republic Defenders</i> • <i>Technical & Inspection Team, Confederation of ASEAN Senior Golfers Association</i> • <i>VP External and Team Captain, Philippine Federation of Amateur Senior Golfers Incorporated</i> • <i>Director/Member, Rotary Club Bagumbayan Manila</i> • <i>Former Philippine Ambassador to Indonesia, Department of Foreign Affairs</i> • <i>Former Director, Various PNP Headquarters and Offices</i> • <i>Former Secretary of Directorial Staff, PNP National Headquarters</i> • <i>Former Chief of Staff, PNP NCRPO</i> • <i>Former Special Action Force, PNP</i>

i. Directorship in listed companies.

There are no PHLPost Directors who serve as directors in listed companies.

C. Trainings Attended

Director's Name	Training Title/Provider/Year Conducted
Chairman Raul B. Bendigo	<ul style="list-style-type: none"> • Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Workshop/AMLC/2019 • Gender Sensitivity Training for Executives/PHLPost/2019 • Corporate Governance Orientation Program for GOCC/ Institute of Corporate Directors (ICD)/2017 • Post-Expo 2018 in Hamburg, Germany/UPU/2018 • Witness Protection Program Seminars/DOJ and UNDP/2017 • Continuing Legal Education Seminars/ IBP, DOJ, Chief Prosecutors Association/2014 • Prosecutors League Seminar/DOJ/2014 • Terrorism Investigation Course/ DOJ/2010
Postmaster General Norman N. Fulgencio	<ul style="list-style-type: none"> • Corporate Governance Orientation Program for GOCC/ICD/2017 • Management Orientation on Integrated Management System Seminar/2010
Director Ridgway M. Tanjili	<ul style="list-style-type: none"> • Corporate Governance Orientation Program for GOCCs/ICD/2017 • Laws and Rules Relating to Money Laundering/Supreme Court of the Philippines and Philippine Judiciary Academy/2014 • Judicial Career Enhancement Program for Regional Court Judges/Supreme Court of the Philippines and Philippine Judiciary Academy/2012 • Land Valuation and Just Compensation/Supreme Court of the Philippines and Philippine Judiciary Academy/2011 • Special Rules of Court on Alternative Dispute Resolution/Supreme Court of the

	Philippines and Philippine Judiciary Academy/2011
Director Cristina E. Caringal	<ul style="list-style-type: none"> • Crafting your Own Roadmap: A Personal Governance Workshop/ICD/2021 • Distinguished Corporate Governance Speaker Series/ICD/2021 • Crisis-Ready Boards: How to Lead in Times of Turbulence/ICD/2020 • Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Workshop/PHLPost/2019 • Post Expo (Tokyo, Japan)/2019 • Gender Sensitivity Training for Executives/PHLPost/2019 • Role of Internal Auditors in Risk Management and Governance/2019 • ISO 9001:2015 Quality Management System Requirement Training Course/2019 • Enhancing Audit Committee Effectiveness (Essentials)/2019 • How to Read Financial Statements for Board Directors & Decision Makers/2019 • Public Service Values Program/CSC/2018 • Parcel & POST EXPO in Hamburg, Germany/UPU/2018 • POST EXPO in Geneva, Switzerland/UPU/2017 • Strategy Execution Pathway/Institute of Corporate Directors/2017 • Strategy Design for Directors Program/Institute of Corporate Directors/2017 • Corporate Governance Orientation Program for GOCCs/ICD/2017 • Asia Pacific Postal Union Business Forum in Bangkok, Thailand/APPU/2017 • Strategy Design for Directors Program/2017 • Introduction to Corporate Governance/2017 • Greening the Supply Chain/2016 • Dale Carnegie Leadership Training Course/2013 • Logistics Immersion Course/2012 • Account Development/2012 • Distribution and Transport Safety/2011 • Initiative for Enhanced Quality Performance/2011 • Introduction to Shipping/2010 • Leadership Training Course/2009 • APEC Intermodal Skills/2006

	<ul style="list-style-type: none"> • Leadership and Management Development/2006 • Total Quality Management & Maintenance/2006 • Credit Evaluation & Scoring/2004 • Increase in Collection Efficiency (2000)
Director Liberty C. Avila	<ul style="list-style-type: none"> • Distinguished Corporate Governance Speaker Series-ICD Zimbabwe/ICD/2021 • Distinguished Corporate Governance Speaker Series-ICD Malaysia/ICD/2021 • Distinguished Corporate Governance Speaker Series-Singapore Institute of Corporate Directors/ICD/2021 • Distinguished Corporate Governance Speaker Series: Tapping the Strategic Potential of Boards/ICD/2021 • Distinguished Corporate Governance Speaker Series: Board Behavioral Dynamics/ICD/2021 • Distinguished Corporate Governance Speaker Series: What It Really Means to Be a Director/ICD/2021 • Crafting your Own Roadmap: A Personal Governance Workshop/ICD/2021 • Future Ready Boards: A Deep Dive/ICD • The Urgency of Building Corporate Trust/2020 • Data Governance: Privacy and Security/Disini Law/2020 • Crisis-Ready Boards: How to Lead in Times of Turbulence/ICD/2020 • AMLC- Anti-Money Laundering/Countering the Financing of Terrosism/PHLPost/2019 • Enhancing Audit Committee Effectiveness, Philippines/2019 • How to Really Read Financial Statements/CGPB/2019 • Public Service Values Program: Pamunungan Lingkod Bayani/PHLPost/2019 • 7th Asian Pacific Postal Union Business Forum, Bangkok, Thailand/2018 • The 2nd Extraordinary Congress, Addis Ababa, Ethiopia/2018 • Asian Pacific Postal Union Executive Council Meeting, Da Nang, Vietnam/2018 • 6th Asian Pacific Postal Union Business Forum, Bangkok, Thailand/2017 • Corporate Governance Orientation Program for GOCCs, Philippines/ICD/2017 • CCI Exchange Student, USA/2014

	<ul style="list-style-type: none"> • Digital Marketing/International Institute of Marketing Professional/2013
Director Pelagio S. Paguican	<ul style="list-style-type: none"> • Gender Sensitivity Training for Executives/PHLPost/2019 • Corporate Governance Orientation Program/ICD/2017 • Corporate Governance Orientation Program/ICD/2016 • Southeast Asia Regional Workshop of Judicial Training Institutions On Good Practices In Promoting Women Human Rights Complaint Justice Delivery/2014 • Multi-Sectoral Seminar-Workshop on Agrarian Justice/2006 • Mid-Term Convention-Seminar of the Philippine Justice Association/2006 • Seventh Multi-Sectoral Seminar-Workshop on Juvenile and Domestic Relations Justice (Advanced Level) • Regional Judicial Career Enhancement Program (Level 4) for Judges, Clerk of Court and Branch Clerk of Court of the Regional Trial Courts/2006 • Convention and Seminar of the Philippine Judges Association/2003 to 2005 • IBP National Convention/2003 • 4th Tele-Video Conference on Psychological Incapacity and Capacity of the Child • 8th Judicial Career Enhancement Program (Level2) • Juvenile and Domestic Relations Justice for Single Sale Courts • Convention and Seminar of the Philippine Judges Association
Director Vidal E. Querol	<ul style="list-style-type: none"> • Corporate Governance Orientation Program/2019 • General Staff Course US Army/1990-1991 • Crisis Management and Hostage Negotiation Course US State Department/1989 • VIP Security and Dignitary Protection PSC Malacañang/1976

II. BOARD RESPONSIBILITY

A. Review of vision, mission, and strategy

The vision, mission and corporate strategy of the Philippine Postal Corporation are annually being reviewed by the Board of Directors.

In 2021, the Board reviewed the PHLPost's vision, mission and corporate strategy on April 6, 2021, during its 4th Regular Board meeting.

B. Monitor/Oversee the implementation of corporate strategy

The PHLPost Board of Directors monitors and evaluates on a regular basis the implementation of corporate strategies and policies of PHLPost as one of its duties under Section 4.1.1.11 of the Manual on Corporate Governance.

The Management submitted quarterly monitoring reports on PHLPost's Performance Scorecard for CY 2021 to the Board of Directors, specifically on 26 May 2021 for the first quarter, 05 October 2021 for second quarter, and 16 November 2021 for 3rd quarter.

C. Code of Ethics/Conduct

The Code of Conduct for officials and employees of the PHLPost was adopted on 16 August 2016 through Board Resolution No. 2016-100. It covers all officers and employees holding any office or work in PHLPost regardless of rank, position and employment status.

PHLPost monitors compliance and ensures continued implementation of the provisions of the above Code of Conduct by inclusion of the topic in the conduct of orientation for new hires and through various issuances, such as:

1. Circular on Uniform Policy (Post Office Circular No. 21-81);
2. Postings of No Gift Policy in every offices; among others.

In addition, all Directors and Officers of PHLPost are required to comply with the provisions stipulated under Section 5 of the Manual on Corporate Governance which discloses Code of Conduct of Directors and Officers.

The Board Members were given a copy of the above-mentioned codes at the start of their term.

III. BOARD COMMITTEES

In accordance with Section 4.1.7 of the Manual on Corporate Governance, the Board of Directors constituted the following Committees:

A. Executive Committee

1. Composition:

Chairman	:	Chairman Raul B. Bendigo
Vice Chairman	:	Postmaster General Norman N. Fulgencio
Members	:	Director Ridgway M. Tanjili
	:	Director Cristina E. Caringal
	:	Director Liberty C. Avila
	:	Director Pelagio S. Paguican
	:	Director Vidal E. Querol ⁴

2. Functions and Responsibilities:

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):

- Approval of any action for which shareholders' approval is also required (GCG MC 2012-07, Sec. 16.1(a));
- Filling of vacancies on the Board in the Executive Committee (GCG MC 2012-07, Sec. 16.1(b));
- Amendment or repeal of By-Laws or the adoption of new By-Laws (GCG MC 2012-07, Sec. 16.1(c));
- 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));
- Distribution of cash dividends (GCG MC 2012-07, Sec. 16.1(e)); and
- Exercise of powers delegated by the Board exclusively to other committees (GCG MC 2012-07, Sec. 16.1(f)).

⁴ Commenced on August 11, 2021 per Board Resolution No. 2021-112

B. Governance Committee

1. Composition

Chairman	:	Chairman Raul B. Bendigo
Vice Chairman	:	Postmaster General Norman N. Fulgencio
Members	:	Director Ridgway M. Tanjili
	:	Director Cristina E. Caringal
	:	Director Liberty C. Avila
	:	Director Pelagio S. Paguican
	:	Director Vidal E. Querol ⁵

2. Functions and Responsibilities:

- Oversee the periodic performance evaluation of the Board and its committees and Management; and shall also conduct an annual self-evaluation of their performance;
- 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;
- 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
- 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.

C. Audit Committee

1. Composition

Chairperson	:	Director Cristina E. Caringal
Vice Chairperson	:	Director Liberty C. Avila
Members	:	Chairman Raul B. Bendigo
	:	Director Ridgway M. Tanjili
	:	Director Pelagio S. Paguican
	:	Director Vidal E. Querol ⁶

⁵ Ibid

2. Functions and Responsibilities:

- 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);
- 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;
- 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)
- Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:
 - a. A definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standards (IAS) compliant.
 - 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)
- 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; ○ 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;
- 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)

- 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.
- 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.

D. Nomination and Remuneration Committee

1. Composition:

Chairman	:	Director Ridgway M. Tanjili
Vice Chairperson	:	Director Vidal E. Querol ⁷
Members	:	Chairman Raul B. Bendigo
	:	Postmaster General Norman N. Fulgencio
	:	Director Cristina E. Caringal
	:	Director Pelagio S. Paguican
	:	Director Liberty C. Avila

2. Functions and Responsibilities:

- 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))
- 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))
- 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))
- 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))
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers,

⁷ Ibid

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)

- 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)
- 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)

E. Risk Management Committee

1. Composition

Chairman	: Director Pelagio Paguican
Vice Chairperson	: Director Vidal E. Querol ⁸
Members	: Chairman Raul B. Bendigo
	: Postmaster General Norman N. Fulgencio
	: Director Cristina E. Caringal
	: Director Ridgway M. Tanjili
	: Director Liberty C. Avila

2. Functions and Responsibilities:

- 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))
- 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
- 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))

⁸ Ibid

- Functional realignment of the Inspectorate department from the Office of the Postmaster General to the Risk Management Committee of the Board of Directors per the GCG letter dated 7 April 2017 and Board Resolution No. 2017-106 dated 8 June 2017.

IV. MEETING SCHEDULE

On 09 December 2020, the Board of Directors adopted the calendar of meetings of the Board of Directors and its Committees for CY 2021 without prejudice to modifications made within the year to address changing circumstances, through Board Resolution No. 2020-95, as follows:

A. Board Meeting

Month	Scheduled Meeting Dates		Actual Meetings	
	Regular	Special	Regular	Special
January	13	27	13	4, 26
February	10	24	3	17
March	10	24	2	17, 24
April	14	28	6	28
May	12	26	11	26
June	09	23	10	23
July	14	28	7	12, 27
August	11	25	11	17
September	15	29	1	21
October	13	27	5	19, 26
November	10	24	16	
December	15	22	2	14, 21

- ❖ Only 6 out of 24 meetings were conducted based on schedule.

The Board subscribes to flexibility in their schedules when there are emerging circumstances that require board action/approval.

B. Committee Meeting

1. Schedule of Committee Meetings

Month	Dates	
	Executive, and Audit	Governance, Risk Management, and Nomination & Remuneration
January	12	26
February	09	23
March	09	23
April	13	27
May	11	25
June	08	22
July	13	27
August	10	24
September	14	28
October	12	26
November	09	23
December	14	21

2. Actual Committee Meetings Held

Committee	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Meetings Conducted
Executive	12			6						19			3
Audit	19	16		14			7	11	21		16	14	8
Governance	20			6	11				1	5		2	6
N&R		2	24			10				5	16	14	6
Risk Mgt.		2	24		26	23		11	21			2	7

V. ATTENDANCE

A. Board Meeting

- Total of scheduled meeting : 24
- Actual meetings held : 28

Name of Board Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Raul B. Bendigo	28	28	100%
Vice Chairman/Postmaster General Norman N. Fulgencio	27 ⁹	27	100%
Director Ridgway M. Tanjili	28	27	96.42%
Director Cristina E. Caringal	28	28	100%
Director Liberty C. Avila	28	28	100%
Director Pelagio S. Paguican	28	27	96.42%
Director Vidal E. Querol	10 ¹⁰	10	100%

B. Committee Meetings

1. Executive Committee

- Total of scheduled meeting : 12
- Actual meetings held : 03

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Raul B. Bendigo	3	3	100%
Vice Chairman/Postmaster General Norman N. Fulgencio	3	3	100%
Director Ridgway M. Tanjili	3	3	100%
Director Cristina E. Caringal	3	3	100%
Director Liberty C. Avila	3	3	100%
Director Pelagio S. Paguican	3	3	100%
Director Vidal E. Querol	1 ¹¹	1	100%

⁹ Postmaster General Norman N. Fulgencio was excluded from the meeting of the 9th Special Board held on July 12, 2021.

¹⁰ Director Vidal E. Querol assumed as Director on August 17, 2021

¹¹ Ibid.

2. Audit Committee

- Total of scheduled meeting : 12
- Actual meetings held : 08

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairperson Cristina E. Caringal	8	8	100%
Vice-Chairperson Liberty C. Avila	8	8	100%
Former Board Chairman Norman N. Fulgencio	2 ¹²	2	100%
Board Chairman Raul B. Bendigo	8	8	100%
Director Ridgway M. Tanjili	8	8	100%
Director Pelagio S. Paguican	8	8	100%
Director Vidal E. Querol	2 ¹³	2	100%

3. Governance Committee

- Total of scheduled meeting : 12
- Actual meetings held : 06

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Raul B. Bendigo	6	6	100%
Vice Chairman/Postmaster General Norman N. Fulgencio	6	6	100%
Director Ridgway M. Tanjili	6	6	100%
Director Cristina E. Caringal	6	6	100%
Director Liberty C. Avila	6	6	100%
Director Pelagio S. Paguican	6	6	100%
Director Vidal E. Querol	3 ¹⁴	3	100%

¹² Assumed as Postmaster General & CEO on March 14, 2021. He was no longer a member of the Audit Committee starting March 15, 2021.

¹³ Ibid.

¹⁴ Ibid.

4. Nomination and Remuneration Committee

- Total of scheduled meeting : 12
- Actual meetings held : 06

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Ridgway M. Tanjili	6	6	100%
Vice Chairman Vidal E. Querol	3 ¹⁵	3	100%
Board Chairman Raul B. Bendigo	6	6	100%
Postmaster General Norman N. Fulgencio	6	4	66.67%
Director Cristina E. Caringal	6	6	100%
Director Liberty C. Avila	6	6	100%
Director Pelagio S. Paguican	6	6	100%

5. Risk Management Committee

- Total of scheduled meeting : 12
- Actual meetings held : 07

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Pelagio S. Paguican	7	7	100%
Vice Chairman Vidal E. Querol	2 ¹⁶	2	100%
Board Chairman Raul B. Bendigo	7	7	100%
Postmaster General Norman N. Fulgencio	7	6	85.71%
Director Ridgway M. Tanjili	7	7	100%
Director Cristina E. Caringal	7	7	100%
Director Liberty C. Avila	7	7	100%

¹⁵ Ibid.

¹⁶ Ibid.

C. Total Number of All the Meetings for CY 2021 : 58 meetings

Name of Director	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Raul B. Bendigo	58	58	100%
Postmaster General Norman N. Fulgencio	51	48	94.11%
Director Ridgway M. Tanjili	58	57	98.27%
Director Cristina E. Caringal	58	58	100%
Director Liberty C. Avila	58	58	100%
Director Pelagio S. Paguican	58	57	98.27%
Director Vidal E. Querol	21	21	100%

❖ The Board met without the Postmaster General & CEO during its 9th Special Meeting held on 12 July 2021.

VI. ISSUANCE OF NOTICES, AGENDA, AND MATERIALS

The Office of the Corporate Secretary ensures that the Board Members are furnished with the Notice of Meeting, Agenda, and Materials for the meetings three (3) days before the scheduled meeting. The Management shall submit to the Office of the Corporate Secretary all papers or documents that will be included in the agenda not later than seven (7) days before the scheduled meeting pursuant to Board resolution No. 2013-127-A dated 19 December 2013.

Further, in accordance with Board Resolution No. 2015-23 dated 12 February 2015, the Office of the Corporate Secretary furnishes the Board Members through their Technical Assistants the documents received by the Office that requires approval of the Members of the Board immediately upon receipt and after reviewing the same.

VII. THE CORPORATE SECRETARY

Atty. Lindeza R. Rogero-Gavino was appointed as Corporate Secretary and Compliance Officer of PHLPPost on 5 January 2018. She is a lawyer by profession and a Career Executive service Eligible (CESE). Below are the highlights of career and education of Atty. Gavino:

Education	Career
<ul style="list-style-type: none"> • Bachelor of Laws (LLB), 1993, UP College of Law, Diliman, Quezon City • Bachelor of Arts major in Economics, 1988, University of San Carlos, Cebu City 	<ul style="list-style-type: none"> • <i>Former Director</i>, Cebu Extension Office, Securities and Exchange Commission (SEC) • <i>Former Chief Counsel</i>, Investment Houses Division, Market Regulation Department, SEC • <i>Former Securities Review Counsel and Technical Assistant</i>, Office of the General Counsel, SEC • <i>Former Supervising Lawyer/Assistant to the Director</i>, Internet and Society Program, UP Law Center • <i>Former Legal Consultant</i>, UP Engineering Research Development Foundation, Inc. and VIVA Television “The Weakest Link” game show • <i>Former Lecturer</i>, Thames International Business School (now Entrepreneur School of Asia) • <i>Former Supervisory Legal Researcher & Court Attorney VI</i>, Presidential Electoral Tribunal, Office of Chief Justice Hilario G. Davide, Jr., Supreme Court of the Philippines

VIII. BOARD ORIENTATION PROGRAM

The Philippine Postal Corporation has an Orientation Program for the new appointed Board of Directors.

PHLPost practice the following procedure:

- The Corporate Secretary welcomes the newly appointed Board of Directors upon his/her arrival.
- The Corporate Secretary introduces the staff of the incumbent Board Member/s, and the Office of the Corporate Secretary to the new Board Member.
- The Corporate Secretary provides the new Director with the Welcome Kit which contains documents such as, (i) brief background of the Corporation, (ii) the organizational structure, (iii) directory of PHLPost’s officials and departments under their jurisdiction, (iv) schedule of meetings, (v) copies of Postal Service Act of 1992 (RA 7354), By-laws of PHLPost, Manual on Corporate Governance, relevant issuances of GCG (i.e. GOCC Governance Act

of 2011, Fit and Proper Rule, etc.), Rationalization Plan of PHLPost, 2020 Disciplinary Rules and Procedures, and Code of Conduct of Officers and Employees of PHLPost.

- The Corporate Secretary discusses the contents of the Kit.
- A session is held for the new Board member to meet all the PHLPost Officials and key employees.

IX. COMMITTEE REPORTS: AUDIT, RISK MANAGEMENT, AND NOMINATION AND REMUNERATION

A. Audit Committee Report

The Audit Committee, in the exercise of its oversight function, held eight (8) meetings for the year 2021, where various matters involving financial, operations, compliance, accomplishments, IT systems, audit activities, and the like were discussed.

The Audit Committee monitored updates on the (i) development of the ERP system, (ii) Joint Venture Selection Committee, and (iii) ISO certification activities, among others, of the Corporation and reviewed its compliance to applicable laws. The Audit Committee likewise monitored on a regular basis the actions taken/compliance of Management with respect to the findings and recommendations of the Commission on Audit embodied in the COA report.

Further, the Audit Committee reviewed and monitored the performance of the Internal Audit Department (IAD) and approved its plans and programs for CY2021. The Audit Committee also deliberated and endorsed for approval of the Board of Directors the designation of the Acting Manager of the IAD and the movement of other IAD personnel. With the regular reporting of the Internal Audit Department of the results of the audit conducted in various offices, projects, systems, financial, among others, the Committee was able to assess the adequacy of internal controls in place. In CY 2020, the systems, and measures of the Corporation in place are adequate since the findings on various audit conducted were mitigated compared to previous years.

Other matters that were discussed and deliberated are the following:

1. Financial performance of the Corporation;
2. Titling activities; and
3. Other finance and audit-related matter/concerns.

B. Nomination and Remuneration Committee Report

The Nomination and Remuneration (N&R) Committee held six (6) meetings for the year 2021. It was able to elevate four (4) decisions/resolutions on the administrative cases of various employees for Board of Directors' approval. The following matters are among the items discussed, deliberated and acted upon during the Committee meetings, to wit:

1. Issues and concerns relative to appointments of various employees; and
2. Other matters relating to employees.

C. Risk Management Committee Report

The Risk Management Committee held seven (7) meetings for the year 2021. It performed oversight risk management functions specifically in the areas relating to operations, legal, reputational, and other risk of the corporation. It elevated for approval of the Board of Directors the creation of Management-level Enterprise Risk Management Committee and its reconstitution. The designated Risk Management Officer regularly provided the Risk Management Committee with updates on risk exposures and risk management activities of the Corporation.

Further, the Committee monitored the formulation of the Enterprise-Wide Risk Management Manual/Disaster Risk Management program of the Corporation, and reviewed various measures, policies and manuals to ensure the Corporation's compliance with the existing laws, rules, and regulations. It likewise noted and recommended necessary actions to be taken with respect to the investigation reports provided by the Inspectorate Department.

X. RISK MANAGEMENT

The Risk Management Framework of the Corporation under Board Resolution No. 2016-93 dated 28 July 2016 identified the various risks of the Corporation as well as the strategies in place to manage said risks. The copy of the Risk Management Framework is posted in PHLPost's website.

In addition to the strategies identified in the above framework, the Board of Directors, through the Risk Management Committee, regularly monitored the risk exposures and risk management activities of the Corporation.

Further, the Board-level Risk Management Committee initiated the formulation of the Enterprise-Wide Risk Management Manual/Disaster

Risk Management program of the Corporation to update the risk management initiatives of the corporation.

XI. THE INTERNAL AUDIT AND CONTROL

The Philippine Postal Corporation has a separate internal audit function performed by the Internal Audit Department pursuant to Section 4.1.14.1 of the Manual on Corporate Governance.

The Internal Audit Department directly reports to the Audit Committee and administratively to the Postmaster General and CEO.

As provided in the Internal Audit Charter of the Corporation which the Board approved through Board Resolution No. 2017-91, the Board, through the Audit Committee approves the appointment and removal of the Head of Internal Audit as well as the selection, promotion, and removal of Internal Audit personnel.

XII. BOARD PERFORMANCE ASSESSMENT

In line with the principles of good governance and in compliance with the Manual on Corporate Governance, the Board conducts annual performance assessment to monitor the performance of the Board and top management on its roles.

The Board of Directors adopted the Board Performance Assessment Policy and Procedures of the Philippine Postal Corporation through Board Resolution No. 2020-43 which discusses the processes and criteria in conducting the Board assessment.

A. Result of the Board Performance Assessment for CY 2021

The total tally of 2021 Board Performance Appraisal are as follows:

Area	Excellent %	Very Good %	Good %	Satisfactory %	Needs Improve ment %
Board	69	31	7	0	0
Committee	76	24	0	0	0
Individual Director	80	18	2	0	0
Board and Management	66	34	0	0	0