

Philippine Crop Insurance Corporation

BOARD COMMITTEES

Reference: Code of Corporate Governance for GOCCs, GCG Memorandum Circular No. 2012-07

A. GOVERNANCE COMMITTEE

Chairman: Dir. Epifanio A. Maniebo

Members: Dir. Juan V. Borra, Jr.

Dir. Jovy C. Bernabe

RESPONSIBILITIES

The Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. The Committee shall be responsible for the following:

- (a) Overseeing the periodic performance evaluation of the Board and its Committees and Management; and also conducting an annual self-evaluation of their performance;
- (b) Deciding 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);
- (c) Recommending 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;
- (d) Recommending the manner by which the Board's performance may be evaluated and proposing an objective criteria to be approved by the Board. Such performance indicators shall be addressed how the Board will enhance long-term shareholder value; and
- (e) Other responsibility/ies which the committee or Board deems necessary for the achievement of higher goals and standards of service.

MAJOR ACTION PLAN

- (a) Evaluate the periodic performance of the Board and Management.
- (b) Recommend continuing education of directors, assignment to Board Committees, succession plan for the executive officers, and their remuneration.

B. AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman: Dir. Alex DG. Suarez
Members: Dir. Dioscoro A. Granada
Dir. Jovy C. Bernabe

RESPONSIBILITIES

The Committee shall be responsible for the following:

- (a) Overseeing, monitoring and evaluating the adequacy and effectiveness of the PCIC's internal control system, engage and provide oversight of the PCIC's internal and external auditors, and coordinate with the Commission on Audit (COA);
- (b) Reviewing and approving audit scope and frequency, 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, pending concerns and assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
- (c) Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- (d) Ensuring that internal auditors have free and full access to all the PCIC'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;
- (e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the PCIC through a procedures and policies handbook that will be used by the entire organization;
- (f) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risk of the PCIC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- (g) Developing the Risk Management Policy of the PCIC, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the PCIC, especially at the Board and Management level;
- (h) Providing quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals; and

- (i) Other responsibility/ies which the committee or Board deems necessary for the achievement of higher goals and standards of service.

MAJOR ACTION PLAN

- (a) Review and approve PCIC Internal Audit Plan.
- (b) Review reports of Internal Audit Service and COA Resident Auditors and check PCIC's compliance/corrective actions done.
- (c) Enhance PCIC's Manual of Operations for seven (7) product lines.
- (d) Perform oversight risk management functions in the areas of managing credit, market, liquidity, operational, legal, reputational and other risk of the PCIC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities.
- (e) Develop/Enhance Risk Management Policy.
- (f) Report and update the Board on key risk management issues, including evaluation on investment proposals.