

BOARD RESOLUTION NO. 830, SERIES OF 2020

APPROVAL OF BOARD COMMITTEE MEMBERSHIPS FOR CY-2020

WHEREAS, the GCG Memorandum Circular No. 2012-07 provides for the Code of Corporate Governance for GOCCs, with the following provisions states:

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Section 8. Specific Functions of the Board:

(j) Constitute an Audit Committee and such other specialized committees as may be necessary, or required by applicable regulations, to assist the Board in discharging functions;

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Section 16.3. Combining the Mandatory Committees. - Nothing herein shall preclude the Governing Board from formally combining the functions of the committees into such combinations that will best serve the interest of the GOCC

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WHEREAS, in compliance thereto, the Management through the Office of the Board Secretary, presented the recommended plan of the Governance Committee to combine the existing Committees and reduce it into three, to wit:

- I. Executive Committee (ExeCom);
- II. Governance, Policy and Nomination Committee (GPNCom); and
- III. Audit and Risk Management Committee (ARCom);

WHEREAS, the Management presented the following proposed functions of each Committee:

I. Executive Committee

Duties and Responsibilities:

- (a) Approval of projects with a threshold amount of Ten Million (PhP10M) to Fifteen Million (PhP15M);
- (b) Deliberation and endorsement to the Board of projects with cost exceeding Fifteen Million (PhP15M);
- (b) Approval of any action for which shareholders' approval is also required;
- (c) Filling of vacancies on the Board or in the Executive Committee;
- (d) Amendment or repeal of By-Laws or the adoption of new By-Laws;
- (e) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
- (f) Distribution of cash dividends; and
- (g) Exercise of powers delegated by the Board exclusively to other committees.

II. Governance, Policy, Nomination and Remuneration Committee

Duties and Responsibilities:

- (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 (i.e., 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;
- (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; and
- (d) Recommending the manner by which the Board's performance may be evaluated and proposing objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder value;
- (e) Reviewing all proposed policy changes of the Corporation's program and existing policies.
- (f) Installing and maintaining 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;
- (g) Reviewing and evaluating the qualifications of all persons nominated to positions in the GOCC which require appointment by the Board
- (h) Recommending to the GCG nominees for the shortlist in line with the GOCC's and its subsidiaries' Board composition and succession plan; and
- (i) Developing recommendations in the CPCS and ensuring that it is consistent with the GOCC'S environment, as well as the regulations;

III. Audit Risk Management Committee

Duties and Responsibilities: Audit Committee

- (a) Conduct financial and operational audit including, but not limited to, random spot checks of CMP projects to be submitted to the Board;
- (b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management;
- (c) Perform oversight functions over SHFC's internal auditor;
- (d) Review the annual internal audit plan to ensure its conformity with the objectives of SHFC. The plan shall include the audit scope, resources and budget necessary to implement it;
- (e) Monitor and evaluate the adequacy and effectiveness of SHFC's internal control system, including financial reporting control and information technology security;
- (f) Review the reports submitted by the SHFC's internal auditor;
- (g) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices;
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going concerns assumptions;
 - Compliance with accounting standards;
 - Compliance with tax, legal and regulatory requirements;
- (h) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- (i) Review compliance reports by the Compliance Officer as may be necessary;

- (j) Establish and identify the reporting line of the Internal Auditor to enable her/him to properly fulfill her/his duties and responsibilities. S/he shall functionally report directly to the Audit Committee. The Committee shall ensure that, in the performance of the work of the Internal Auditor, s/he shall be free from interference by outside parties;
- (k) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the GOCC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- (l) Developing the Risk Management Policy of the GOCC, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the GOCC, especially at the Board and Management level; and
- (m) Providing quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals;
- (n) To perform such other functions as may be deemed necessary by the Board of Directors;

WHEREAS, the Management had earlier presented the same matter to the Governance Committee which herein endorses the Board Committee Memberships for CY-2020, in its Report No. 2020-01;

NOW THEREFORE, be it resolved as it is hereby resolved, that the Board approves as it has hereby approved, SHFC's Board Committee Memberships for CY-2020;

The following schedule is hereby proposed for CY-2020:

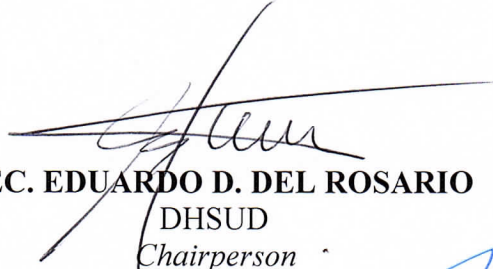
	Schedule of Meeting/s	Location
Committee Meeting	Every First and /or Third Week of the Month (Wednesday/s)	SHFC Office
Board Meeting	Twice a month: Every Second and/or Fourth Week of the Month (Wednesday/s) February 12 & 26 March 11 & 25 April 15 & 29 May 13 & 27 June 10 & 24 July 15 & 29 August 12 & 26 September 16 & 30 October 14 & 28 November 11 & 25 December 09 & 23	DSHUD Office

Composition:

Board Committee	AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
Executive Committee	1. DSHUD	Secretary (or as represented by: Undersecretary/ Assistant Secretary/Director)	Chairman	Monthly
	2. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Vice Chairman	
	3. SHFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	4. DILG	Usec. Epimaco V. Densing, III	Member	
	5. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
	6. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
	7. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
	8. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
Governance, Policy and Nomination Committee	1. DSHUD	Secretary (or as represented by: Undersecretary/ Assistant Secretary/Director)	Chairman	Monthly
	2. SHFC	PRESIDENT / CEO (or as represented by EVP)	Vice Chairman	
	3. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	4. DOF	Usec. Bayani H. Agabin	Member	
	5. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
	6. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
	7. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
	8. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
Audit and Risk Management Committee	1. DBM	Atty. Ryan S. Lita	Chairman	Quarterly or as needed
	2. DOF	Usec. Bayani H. Agabin	Vice Chairman	
	3. DSHUD	Undersecretary/ Assistant Secretary/ Director	Member	
	4. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	5. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
	6. PRIVATE SECTOR	Dir. Lyndon Catulong	Member	
	7. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
	8. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
	9. BSP	Vacant	Member	

RESOLVED FURTHER, that the Committee Meetings shall be presided by the Chairperson thereof and in his absence, the Vice-Chairperson;

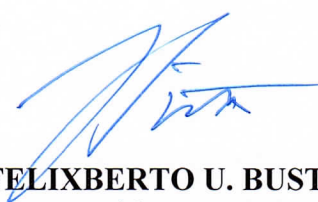
APPROVED by the Board in its 01-2020 Board Meeting held on 16 January 2020 at the 5th floor, SHFC Boardroom, 8737 BDO Plaza, Paseo de Roxas, Makati City.



SEC. EDUARDO D. DEL ROSARIO
DHSUD
Chairperson



ATTY. ARNOLFO RICARDO B. CABLING
President, SHFC
Vice-Chairperson



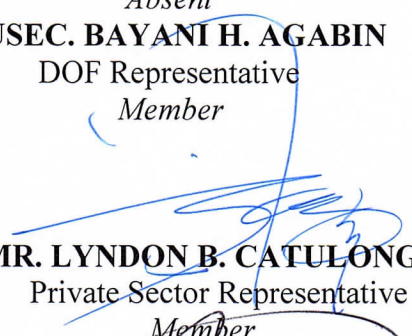
DR. FELIXBERTO U. BUSTOS, JR.
President, NHMFC
Member

Absent
USEC. EPIMACO V. DENSING III
DILG Representative
Member

Absent
ATTY. RYAN S. LITA
DBM Representative
Member

Absent
USEC. BAYANI H. AGABIN
DOF Representative
Member


(VACANT)
BSP Representative
Member



MR. LYNDON B. CATULONG, SR.
Private Sector Representative
Member



ATTY. EMILIANO C. REYES
Private Sector Representative
Member



MR. RONALD R. BARCENA
Private Sector Representative
Member



MR. GEORGE JT D. ALIÑO II
Private Sector Representative
Member

Attested by:



ATTY. MELANIE B. VALENCIANO
Acting Board Secretary