

# CORPORATE GOVERNANCE

The Poro Point Management Corporation (PPMC) strictly adheres to the principles of good corporate governance in carrying out its mandate of managing the Poro Point Freeport Zone (PPFZ) as an economic engine of the North.

PPMC adopts the Governance Commission for Government-owned or -controlled Corporations (GCG) Code of Corporate Governance for GOCCs which was made operational through the PPMC Manual of Corporate Governance.

The PPMC Board of Directors (the Board) institutionalizes policies that would guide the Management in delivering its duties and responsibilities with utmost degree of professionalism and effectiveness, such as the PPMC Manual of Corporate Governance, thus affirming full compliance with the Code of Corporate Governance.

The Manual (4<sup>th</sup> Revision), which was approved by the Board on July 7, 2023 through Board Resolution No. 2023-07-095, institutionalizes the promotion of corporate governance reforms in the organization including the observance of principles of accountability and transparency in order to direct the organization toward excellence and competitiveness both locally and globally as a valuable partner of the government in national development.

## **Governance Policies**

Among the governance policies implemented are the following:

### **a. PPMC Code of Ethics and Code of Discipline**

The PPMC Code of Ethics for the PPMC Board of Directors and Code of Discipline for PPMC Officers and Employees promote exemplary standards in the conduct of their functions by setting rules which Directors, Officers and Employees must comply with. The ethical values that form the basis of the Codes are deemed to maintain the public confidence and trust to the Board, officers and employees are responsibility, accountability, integrity, competence, loyalty, and patriotism, sense of fairness, justice, appropriate lifestyle, and transparency.

### **b. Whistleblowing Policy**

PPMC's Whistleblowing Policy provides an enabling mechanism for concerned individual to report or testify against any unethical behavior committed by PPMC Board of Directors, Officers, and rank and file employees. Likewise, the policy provides protection to whistleblowers against any retaliatory actions. The policy provides several reporting channels where concerned individuals may file their report such as the GG Whistleblowing Web Portal which is linked to the PPMC website or through email, mail, or telephone.

### **c. No Gift Policy**

The No Gift Policy, which is incorporated in the PPMC Manual of Corporate Governance, provides that the PPM Board of Directors, Management and employees shall demonstrate fairness, professionalism and deliver quality services without expectations of any undue favor or reward.

#### **d. PPMC Freedom of Information**

In compliance with Executive Order No. 2, series of 2016, PPMC supports the Freedom of Information (FOI) by enjoining its officers and employees to give utmost consideration in the request for information made by the general public. PPMC adopted its own FOI Manual which was approved by the Board on September 20, 2019 by virtue of Board Resolution NO.2019-09-143.

#### **Institutional Mechanisms**

To ensure adherence to the principles of good governance, the Board created committees to provide support in the performance of their functions. The following are the MC Board Committees:

- a. Executive Committee
- b. Audit and Risk Oversight Committee
- c. Nominations and Remunerations Committee
- d. HR Committee
- e. Investment and Promotions Committee
- f. Finance Committee
- g. Corporate Governance Committee
- h. Legal and Regulatory Concerns Committee
- i. Infrastructure Management Committee
- j. Management Information System (MIS)/ Information Technology (IT)

The deletion of the Committee on Special Projects including the scope of its responsibilities and inclusion of provision on the composition of the Board Committees that it shall designate Vice-Chairman of the Committee who shall preside at the meeting in the absence of the Chairman and perform the functions of the Chairman was approved by the PPMC Board of Directors during the 244<sup>th</sup> Regular Board Meeting held on July 7, 2023 with Board Resolution No. 2023-07-095.

#### **Continuing Education of the Board**

Newly-appointed Directors must undergo PPMC's orientation program on the following policies, namely: PPMC By-laws, PPMC Manual of Corporate Governance and PPMC Code of Ethics among others.

As key decision makers, the PPM Board recognizes the importance of capacity building and training activities to keep them updated on the current laws, rules, and regulations relevant to the operations of PPMC. PPMC allocates funds for these seminars and training sessions.