



**PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE**

Code : PPMC-MOP-LEGAL-05
Revision : 4th
Effectivity : December 8, 2023
Page : Page 1 of 32

Revision Date	Rev. No.	Issue Date	Revision History	Prepared by:	Reviewed by:	Approved by:
0	0	January 6, 2017	Initial Issue	Atty. Marlou P. Pacleb	Ms. Ma. Victoria Redempta DG. Soriano	Atty. Felix S. Racadio
August 18, 2020	1	August 20, 2020	Updated Section IV Board Committee duties and responsibilities	Ms. Dennica Dyan C. Gonowon	Atty. Marlou P. Pacleb	Atty. Felix S. Racadio
			Separated Nominations and Remunerations Committee and HR Committee			
			Separated Corporate Governance Committee and Legal and Regulatory Concerns Committee			
			Inclusion of Infrastructure Management Committee and Special Projects Committee			
November 4, 2020	2	November 6, 2020	Included provision on the composition of the Audit and Risk Oversight Committee specifying that the Chairman of the Audit Committee should have audit, accounting or finance background, while the Risk Committee should have at least one member with a background in finance and investments	Ms. Dennica Dyan C. Gonowon	Atty. Marlou P. Pacleb	Atty. Felix S. Racadio
			Included Formal Charter of Expectations that each Director shall sign and be committed to			

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original **PPMC**

MASTER COPY
PPMC

Copy **Uncontrolled Copy**



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code : PPMC-MOP-LEGAL-05
 Revision : 4th
 Effectivity : December 8, 2023
 Page : Page 2 of 32

			Included List of Disclosures to be made by Directors			
			Included Statement by the Directors confirming the truth and fairness of the GOCC's Financial Statements similar to a Statement of Management Responsibility			
			Included List of Fines and other consequences when Directors violate, or omit to carry out their duties, under applicable law			
May 13, 2022	3	May 17, 2022	Revised Section 2.14.1 Education on the Code of Corporate Governance to include "all Directors"	Ms. Dennica Dyan C. Gonowon	Atty. Marlou P. Pacleb	Atty. Felix S. Racadio
			Added Section 3.13 or Ongoing or Continuous Professional Education Program			
			Revised Section 4.1.2 or the Audit and Risk Oversight Committee			
			Added Section 4.1.11 or the Management Information System (MISY Information Technology (IT) Committee			
November 23, 2023	4	November 23, 2023	Change of reference from PPMC-MOP-LEGAL-04 to PPMC-MOP-LEGAL-05	Ms. Victoria Chloe V. Pulanco	Atty. Marlou P. Pacleb	Atty. Felix S. Racadio
			Deletion of Section 4.1.10 or the Special Projects Committee			
			Inclusion of provision on the composition of the Board			

Distribution			
1	11		21
2	12		22
3	13		23
4	14		24
5	15		25
6	16		26
7	17		27
8	18		28
9	19		29
10	20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original PPMC

MASTER COPY

Copy PPMC

Uncontrolled Copy



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code : PPMC-MOP-LEGAL-05
 Revision : 4th
 Effectivity : December 8, 2023
 Page : Page 3 of 32

			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		
--	--	--	---	--	--

Distribution List

ID	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Offices	OP	OP - Corplan	OP - PR & Community Development	HR & Admin - HR	HR & Admin - Admin	Regulatory Services - Enterprise Regulations	Regulatory Services - Zone Security & Public Safety	Finance	Airport Management	Infrastructure Management	Legal	Business Development	Internal Audit	QMR	DQMR	QWT	T&ET	D&RCT	IQAT											

Prepared by:	Reviewed by:	Reviewed by:	Approved by:
 MS. VICTORIA CHLOE V. PULANCO	 ATTY. MARLOU P. PACLEB	 MS. MA. VICTORIA REDEMPTA DG. SORIANO	 ATTY. FELIX S. RACADIO
Signature over Printed Name of the Originator/Legal Researcher	Signature over Printed Name of the Legal Counsel	Signature over Printed Name of the Quality Management Representative/ VP for HR and Administration	Signature over Printed Name of the President and CEO

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

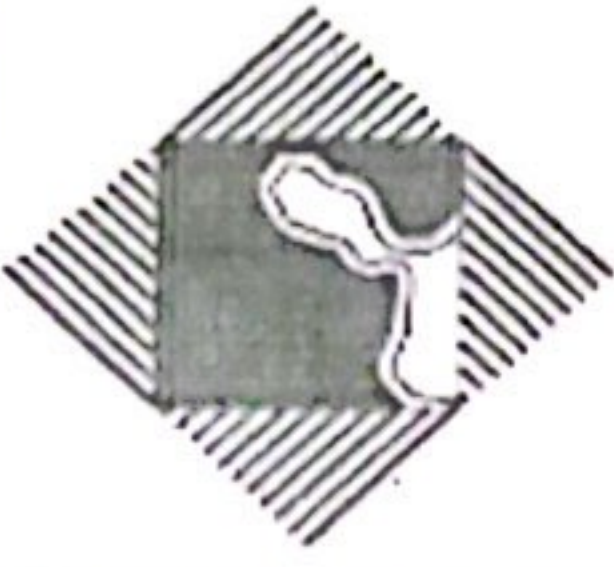
Document Control Procedure

Original PPMC

MASTER COPY

Copy PPMC

Uncontrolled Copy

	PORO POINT MANAGEMENT CORPORATION MANUAL OF OPERATIONS/PROCEDURES MANUAL OF CORPORATE GOVERNANCE	Code : PPMC-MOP-LEGAL-05
		Revision : 4th
		Effectivity : December 8, 2023
		Page : Page 4 of 32

MANUAL OF CORPORATE GOVERNANCE

It is the policy of the Poro Point Management Corporation (PPMC) to actively promote and pursue corporate governance reforms and to consciously observe principles of accountability and transparency with the utmost degree of professionalism and effectiveness. The Board of Directors of PPMC hereby adopts this Manual of Corporate Governance to steer the corporate organization toward excellence and competitiveness, locally and globally, thus enabling it to be a valuable partner of the government in national development.

I. DEFINITION OF TERMS

- 1.1 **"Act"** refers to Republic Act No. 101491, otherwise known as the "GOCC Governance Act of 2011.
- 1.2 **"Board"** refers to the collegial body that exercises the corporate powers of PPMC, as specified in its Articles of Incorporation. It is charged with the functions of governing and conducting the business of PPMC and monitoring Management.
- 1.3 **"Board Officers"** refer to Officers whose primary task is to serve the Board or to pursue the immediate functions of the Board.
- 1.4 **"Corporate Governance"** is one key element in improving economic efficiency and growth as well as enhancing investor confidence, It involves a set of relationship between a corporation's Management, its Board, its shareholders and other stakeholders. It also provides the structure through which the objectives of a corporation are set and the means of achieving those objectives and monitoring performance are determined.
- 1.5 **"Executive Board Member"** refers to a member of the Board who is at the same time appointed to head a department/unit within the PPMC.
- 1.6 **"Ex Officio Member/Director"** refers to any individual who sits or acts as a member of the Board of Directors/Trustees by virtue of one's title to another office, and without further warrant or appointment.
- 1.7 **"Fit and Proper Rule"** refers to a set of standards for determining whether a member of the Board is qualified to hold a position in PPMC which shall include, but not be limited to standard on integrity, experience, education, training and competence in accordance with GCG Memorandum Circular No.. 2012-05.
- 1.8 **"Non-chartered GOCC"** refers to a GOCC organized and operating under Batas Pambansa Bilang 68 or the Corporation Code of the Philippines.
- 1.9 **"Per Diems"** refer to the compensation granted to members of the board of directors or trustees of a GOCC for actual attendance in meeting.

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

PPMC

MASTER COPY

Copy

PPMC

Uncontrolled Copy



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code : PPMC-MOP-LEGAL-05
 Revision : 4th
 Effectivity : December 8, 2023
 Page : Page 5 of 32

1.10 **"Management"** refers to the body given the authority to implement the policies determined by the Board in directing the course and business activities of PPMC.

1.11 **"PPMC"** in this Code refers to Poro Point Management Corporation, a Government Owned and Controlled Corporations (GOCC), that adopts the Code of Corporate Governance.

1.12 **"Performance Evaluation System" ("PES")** refers to the process of appraising the accomplishment of PPMC in a given fiscal year based on set performance criteria, targets and weights.

1.13 **"Performance Scorecard"** refers to a governance and management tool forming part of the performance evaluation system which consist of a set of measures, targets and initiatives that facilitates the achievement of breakthrough result and performance through effective and efficient monitoring and coordination of the strategic objectives of PPMC; (Section 3, RA 10149).

1.14 **"Stakeholder"** refers to beneficiaries of PPMC programs identified under its charter, allied laws and executive issuances and investors providing external capital to BCDA in the form of equity or credit.

II. COMMITMENT TO PRINCIPLES OF GOOD CORPORATE GOVERNANCE

2.1 **PPMC as an active partner of the government in national development.** PPMC shall perform of its functions as an active partner of the government in national development. Such functions include the delivery of public services, as well as the production and creation of wealth necessary to support vital government initiatives.

2.2 **Governing principles of good corporate governance of PPMC.** The corporate governance framework for the PPMC shall be governed by the following principles:

- a. The PPMC conduct its business strictly in accordance with the rule of law and shall be supportive of the primary goals and objectives of the State;
- b. Timely and accurate disclosure shall be made for transparency on all material aspects and development regarding PPMC, including its financial condition, performance, ownership, and governance;
- c. The strategic guidance of PPMC shall be in accord with the objectives set by the government, the effective monitoring of Management by the Board, and the Board's accountability to the corporation and the State;
- d. PPMC shall adhere to the highest degree of ethical standards and promote accountability and fairness in all its business transactions;
- e. The long-term growth, development and strength of PPMC shall be fostered;
- f. PPMC recognizes its corporate responsibility for the common good of society;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original **PPMC**

MASTER COPY

Copy **PPMC**

Uncontrolled Copy

g. Active cooperation between the PPMC and its stakeholders in creating wealth, jobs, and the sustainability of a financially sound enterprise shall be encouraged.

2.3 Commitment to institutionalize the principles of corporate governance. PPMC is committed to institutionalize the principles of good corporate governance in the entire organization. The Board of Directors, Management and Employees of PPMC equally commit to the principles contained in the Code of Corporate Governance for GOCCs and acknowledge that this Manual will serve as guide in the achievement of corporate goals.

2.4 Promotion of corporate governance. The Board of Directors, Management and Employees believe that good corporate governance is an integral component of sound strategic business management and of transparency and accountability in public corporate governance, and will undertake every effort necessary to create awareness of such within the PPMC.

2.5 Determination of conflict of interest. A conflict of interest exists when a Board Member or officer of the PPMC:

- a. Supplies or is attempting or applying to supply goods or services to the corporation;
- b. Supplies or is attempting to supply goods, services or information to an entity in competition with the PPMC;
- c. By virtue of his office, acquires or is attempting to acquire for himself a business opportunity which should belong to the PPMC;
- d. Is offered or receives consideration for delivering the PPMC's business to a third party; and
- e. Is engaged or is attempting to engage in a business or activity which competes with or works contrary to the best interests of the PPMC (Par. 5.1).

2.6 Disclosure of Conflict of Interest. If an actual or potential conflict of interest should arise on the part of board members, it should be fully disclosed and the concerned Board Member should not participate in the decision-making. A Board Member who has a continuing conflict of interest of a material nature should either resign or, if the Board deems appropriate, be removed from the Board.

2.7 Taking of Corporate Opportunities. Where a Director or an Officer, by reason of his/her being a member of the Board or an Officer of PPMC, acquires or receives for himself/herself a benefit or profit of whatever kind or nature, including but not limited to, the acquisition of shares in the corporation where PPMC has an interest, the use of the properties of PPMC for his/her own benefit, the receipt of commissions on contract with PPMC or its assets, or the taking advantage of corporate opportunities of PPMC, all such profits or benefits shall be subject to restitution pursuant to Sec. 24 of the RA 10149, without prejudice to any administrative, civil or criminal action against members of the Board of Director or Officers. The remedy of restitution shall apply notwithstanding the fact that such member of the Board or Officer risked his/her funds in the venture (Last Par Sec. 19, RA No. 10149).

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

2.8. No Gift Policy. PPMC shall adhere to the highest form of ethical standards. The PPMC Board of Directors, Management and employees shall demonstrate fairness, professionalism and deliver quality services without expectations of any undue favor or reward.

As such, PPMC adopts the No Gift Policy which provides that the Chairman and Members of the Board, Officers and Employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or use, anything of monetary value from a person, groups, associations, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of, their office, where such gift:

- 2.8.1 Would be illegal or in violation of law.
- 2.8.2 Is part of an attempt or agreement to do or refrain from doing anything in return.
- 2.8.3 Has a value beyond what is normal and customary in the business of PPMC.
- 2.8.4 Is being made to influence the Chairman and Members of the Board, Officers, and Employees as such.
- 2.8.5 Could create the appearance of a conflict of interest.

The prohibition shall include, but not be limited to:

- a. Honoraria given as speaker or resource person in seminars where the Board member, officer, or employee is participating by reason of his/her office with PPMC;
- b. Sponsorship in any form of any of the internal programs, activities, and affairs of PPMC, such as Christmas parties, anniversary commemorations, etc.;
- c. Advertisements in the publications of PPMC;
- d. Discounts, rebates, waivers, and other forms of monetary incentives or benefits given to PPMC, the members of the Board, its officers and employees, in availing of the services and/or facilities of persons or entities under PPMC jurisdiction; and
- e. Acceptance of invitations to social lunches and dinners with persons or entities under PPMC jurisdiction.

Exempted from the "No Gift Policy" are the following:

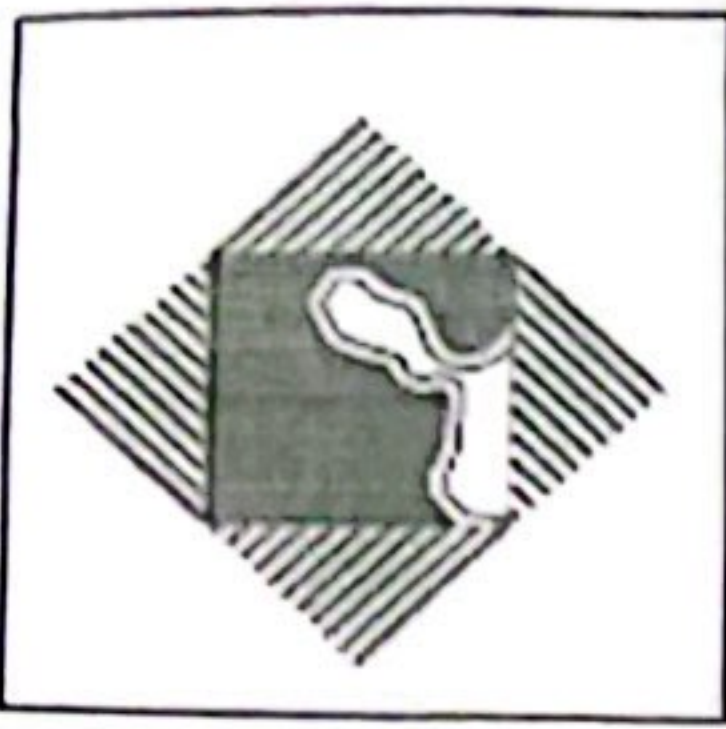
- a. The acceptance and retention of certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy;
- b. The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that officers and employees obtain at events, such as conferences and seminars, and which are offered equally to all members of the public attending the event;
- c. Acceptance of book, pamphlets, publications, and data and other information or reading materials that are directly useful to PPMC in the performance of its mandates, objectives, and which books and other materials are given by individuals or organizations that have no pending business with PPMC as to create an actual or potential conflict of interest;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	: PPMC-MOP-LEGAL-05
Revision	: 4th
Effectivity	: December 8, 2023
Page	: Page 8 of 32

- d. The acceptance by PPMC Officers and employees of a scholarship or fellowship grant, travel grants or expense for travel taking place within or outside of the Philippines (such as allowances, transportation, food and lodging) or more than nominal value, if such acceptance is appropriate and consistent with the interests of the Government, and permitted by the Chairman of PPMC;
- e. The acceptance or availment by PPMC of grants from local or foreign institutions in the pursuit of the mandates, projects and activities, such as those coming from ADB, World Bank, USAID, etc., provided that the availment thereof shall be strictly in compliance with applicable procurement laws, rules and regulations.

Requirement to Inform.

PPMC officers and employees are required to professionally inform any individual or organization with any actual or potential business with PPMC of this "No Gift Policy", the reasons PPMC has adopted this policy, and request that such individual or organization respect such policy. To inform walk-in clients and visitors of the Policy, the Office of the HR & Administration is hereby directed to post the "No Gift Policy" in conspicuous areas within PPMC premises.

Return and Acknowledgement of Gift.

If PPMC, any of its officers or employees, receives a gift covered by this policy, such gift, if feasible, shall immediately and politely decline. In the event that it is not feasible, or it is inappropriate or impractical, to return the gift, e.g. it is perishable item, the gift shall be donated to an appropriate charitable or social welfare institution. An acknowledgement letter shall be sent to the donor informing him/her of the "No Gift Policy" or that the gift has been returned or donated to a charitable or social institution.

The GCG Memorandum Circular No. 2012-12 or "No Gift Policy" of the Governance Commission for GOCCs (GCG) was adopted by the PPMC Board on its 135th Special Board Meeting dated November 2013.

2.9 Relations with Stakeholders. As an integral part of the National Government and of the GOCCs, PPMC is inherently mandated to be socially responsible, to act and operate as good corporate citizens. The Board of Directors shall thus recognize and perform the obligations that PPMC has towards the National Government, as well as its employees, suppliers, customers and other Stakeholders, and the community in which it operates.

The Board, Officers and all its employees are required to abide by ethical policies as mandated by duly constituted authorities. The protection of the reputation and goodwill of PPMC is of fundamental importance, and the Board, Officers and employees should be aware of the disciplinary implications of breaches of policy.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code : PPMC-MOP-LEGAL-05
 Revision : 4th
 Effectivity : December 8, 2023
 Page : Page 9 of 32

The State. The owner of the all GOCCs is the primary stakeholder. PPMC has governmental and proprietary activities as significant tool for commercial development within the economic program of government. The governance and management of PPMC strictly adhere to the time-honored principle of transparency in government service and fiduciary duties of the Board and officers who have the legal obligations and duty to always act in the best-interest of PPMC.

Locators/investors and private sector. Encourage the active and meaningful participation of the private sector in financing, managing and overseeing conversion projects. One could hardly imagine what will be done without business activity in the zone. PPMC and its locators play symbiotic role to each other. The former provides property or services to the latter which in turn use the prime property to its better operations. There are reciprocal duties and obligations of protection and support between PPMC and its locators.

Business enterprise duly registered in the zone enjoys incentives such as tax and duty free importation of raw materials and capital equipment. No local or national taxes shall be imposed on registered enterprise within the zone notwithstanding contrary provision of existing laws and rules and regulations.

Regular meeting with locators are conducted quarterly as a means to engage them into proactive synergy and feedback mechanism in the implementation of PPMC policy in the zone. In this way, any and all complaints from locators and their customers are expeditiously addressed to by the zone management.

Local Government. PPMC is the implementing arm and exercise regulatory power in the zone affecting business enterprise. However, it likewise owes support and serves the interest of the city government of San Fernando and the provincial government of La Union and shall support projects identified by the host local government units and other agencies. Establish a mechanism of coordination with appropriate local government units to effect meaningful consultation with communities affected by developmental projects. Coordination with local government units is important for their support and approval of multi-lateral projects in the zone. The host local government unit where the zone is geographically situated is entitled to 2% of the 5% GIE of a registered enterprise.

Community. PPMC shall conduct regular dialogue and interaction with residents of adjoining barangays in the zone. Management sees to it that the phase of development in the zone should inure in one way or another to a nearby residents who shall be benefited. PPMC policy mandated the preference of local labor force in the operation of business in the zone. This will give impetus to the objective of special economic zones are proceeding according to national goals and principles. PPMC as a socially responsible corporate citizen, shall pursue community projects to improve the quality of life of the communities affected by the development of the Poro Point Freeport Zone.

Community projects are pursued through the "PPMC HELPS Program". HELPS Stands for the various components of the program which are as follows: Health, Education and Environment, Livelihood Program, Strengthening Linkages/Sports.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction, in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

The proposed projects which shall be undertaken are as follows:

Components	Proposed Projects
Health	Medical - Dental Mission Bloodletting Program Disease Prevention Supplemental Feeding Program for Malnourished Children
Education	Adopt-a-school Project Storytelling sessions for Day Care Pupils Literary Arts and Values Formation
Environment	Coastal Clean-up Beautification of Road Projects Integrated Solid Waste Management Project Tree Planting & Conservation
Livelihood Program	Employment opportunities inside the zone Skills training
Strengthening Linkages/Sports	Support for projects identified by LGUs, locators and other agencies

2.10 Recognition and respect of stakeholders' rights established by law through mutual agreements. PPMC shall, as an integral part of its mandate and embodied in its Manual of Corporate Governance, identify and formally recognize its major and other Stakeholders, identify the nature of their interests, provide a hierarchy system of their conflicting interest in PPMC, and providing a clear policy on communicating or relating with Stakeholders accurately, effectively and sufficiently, together with a system of properly rendering an accounting on how PPMC has serves their legitimate interests.

Employees are encouraged to remember that the biggest stakeholder is the Government, share the vision of PPMC, be accountable to the public, listen and learn from his/her employees, think and act as a team, focus on the customers and strive for customer satisfaction, respect others, communicates with stakeholders and customers, deliver results and celebrate success and protect the reputation of PPMC.

Dealings with customers are necessary for a successful and sustained business relationship. PPMC shall have clear and strong lines of communication which allow it to respond quickly and efficiently to customer and market requirements, as well as the public needs, and for the customers to receive consistent service in order to successfully and consistently deliver what PPMC is mandated to do.

PPMC shall aim to develop relationships and improve networking with business partners and suppliers based on mutual trust. PPMC shall aim to offer, through partnership with its supplier's strong customer relations and deep industry knowledge and experience, together with the capacity to implement and deliver value-added solutions on time and within budget.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
Copy	PPMC
Uncontrolled Copy	

2.11 Report on Stakeholder Relations. PPMC shall communicate with investors, stakeholders and the public at large on their stakeholder policies and provide information on their effective implementation. PPMC shall allow its stakeholder reports to be independently scrutinized in order to strengthen their credibility.

2.12 Development, Implementation and Communication of Compliance Programs for Internal Codes of Ethics. The PPMC Board shall apply high ethical standards in the organization with checks and balances that will ensure the corporation is protected from deviation from these standards in the course of the interaction of business considerations with political and public policy ones. PPMC shall develop an internal code of ethics that would give clear and detailed guidance as to the expected conduct of all employees and disciplinary measures for non-compliance therewith. The internal code of ethics should include guidance on procurement processes, as well as develop specific mechanisms protecting and encouraging stakeholders, and particularly employees, to report on illegal or unethical conduct by corporate officers.

2.13 Disclosure and Transparency. PPMC shall continue to enhance disclosure and transparency, and impose a duty of loyalty of Board Members. Timely and accurate disclosure shall be made on all material matters regarding the PPMC, including its financial situation, performance, ownership, and governance.

2.13.1 Disclosure on Material Information. PPMC shall make a disclosure on among others, the following material information:

a. **PPMC objectives and their fulfillment.** Corporate objectives shall be made clear to all stakeholders, investors, and the general public. PPMC shall report on how it fulfills its objectives by disclosing key performance indicators.

b. **Material transactions with related entities.** Reporting on transactions with related entities shall provide all information that is necessary for assessing the fairness and appropriateness of these transactions. The PPMC shall also disclose information on its financial and operating results; the remuneration policy for members of the Board and key executives, and information about board members, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the Board; related party transactions; issues regarding employees and other shareholders; and governance structures and policies and the process by which they are implemented.

2.13.2 Electronic Disclosure of Information. The PPMC shall maintain a website and post therein for unrestricted public access:

a. Institutional Matters:

a.1. The latest version of the PPMC Charter.

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

- a.2. Government Corporate Information Sheet (GCIS) as mandated by the GCG in its Memorandum Circular No. 2012-01.
- a.3 Government Information Sheet (GIS) and brief company background including date of incorporation, history, functions and mandate.¹

b. Members of the Board of Directors and Officers:

- b.1. Complete Listing of the Directors and Officers with attached resume and their membership in Board Committees.
- b.2. Complete compensation package of all the board members and officers, including travel, representation, transportation and any other form of expenses or allowances.
- b.3. Information on Board Committees and their activities.
- b.4. Attendance Record of Directors in Board and Committee Meetings.

c. Financial Matters:

- c.1. Their latest annual audited financial and performance report within thirty (30) days from receipt of such report.
- c.2. Audited financial statements in the immediate past five (5) years.
- c.3. Quarterly, annual reports and trial balance.
- c.4. Current Corporate Operating Budget (COB).
- c.5. Local and foreign borrowings.
- c.6. Government subsidies and net lending.²
- c.7. All borrowings guaranteed by the government.³
- c.8. Performance Evaluation System (PES).

d. Governance Matters:

- d.1. Charter Statement/Mission-Vision Statements.
- d.2. Performance Scorecards and Strategy Map.
- d.3. Organizational Chart.
- d.4. Manual of Corporate Governance.
- d.5. No Gift Policy.⁴
- d.6. CSR Statement.
- d.7. Whistleblowing Policy.⁵

¹ Sec. 43 of GCG Memorandum Circular 2012-07

² Sec. 25 of Republic Act No. 10149

³ *id*

⁴ Sec. 29 of GCG Memorandum Circular No. 2012-07

⁵ Sec. 12 of GCG Memorandum Circular No. 2016-02

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original

MASTER COPY

Copy

PPMC

Uncontrolled Copy

d.8. Such other information or report that the Commission on Audit (COA), the Governance Commission of GOCCs (GCG), or the Government Procurement Policy Board (GPPB) may require.

2.13.3 Development of internal audit procedures. The PPMC shall develop efficient internal audit procedures and establish an internal audit function that is monitored by and reports directly to the Board and its Audit Committee.

2.13.4 External audit based on international standards. The PPMC shall undergo an annual independent external audit based on international standards. PPMC's are not necessarily required to be audited by external, independent auditors. These audits are designed to monitor the use of public funds and budget resources, rather than the operations of the state-owned enterprise as a whole. Thus, to reinforce trust in the information provided, the government should require that, in addition to special government audits, at least all large PPMC's should be subjected to external audits that are carried out in accordance with international standards.

2.14 Communication. The Board and Management shall ensure the thorough dissemination of this Code to all employees and third parties, and shall enjoin the development of organizational policies and processes consistent with the GOCC Code of Corporate Governance and this Manual.

2.14.1 Education on the Code Corporate Governance. Funds shall be allocated for the conduct of an orientation program to operationalize this Corporate Governance Manual and for the continued education and training of all Directors, officers and employees to ensure compliance with the GOCC Code of Corporate Governance and this Manual.

2.15 Penalties for Non-Compliance. To ensure faithful compliance with the GOCC Code of Corporate Governance and the strict adherence to and implementation of the provisions of this Manual, the following penalties shall be imposed, after due notice and hearing, on the Members of the Board and officers who are found liable for any violation, in addition to such penalties as may have been specifically provided:

2.15.1 The penalty of reprimand shall be meted for the first infraction;

2.15.2 The penalty of suspension from office shall be imposed upon the offender for the second infraction. The duration of suspension, which shall be determined by the Board, shall be commensurate to the gravity of the violation;

2.15.3 The penalty of removal from office, in the case of an appointive director, or dismissal from service, in the case of an officer of Management, shall be imposed on the offender for the third infraction. In cases where the offender is a Member of the Board, the Board shall recommend the imposition of the penalty to the GCG.

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

The Board may, at its discretion, constitute a committee or appoint a Member or officer to conduct a fact finding investigation or a hearing for this purpose. The results of the investigation and/or hearing shall be submitted to the Board for its consideration and approval.

2.16 Truth and fairness of PPMC Financial Statements. The Board of Directors of PPMC reviews and approves the financial statements prepared and submitted by the PPMC management before such statements are issued to the regulators, creditors and other users thereby, confirming its truth and fairness. The Board of Directors confirms that the financial statements are free from material misstatement whether due to fraud or error, appropriate accounting policies were applied and reasonable accounting estimates are made in the circumstances.

III. THE PPMC BOARD

The powers and functions of PPMC are exercised by the Board of Directors. The Board is the policy making body and is primarily responsible for good governance in PPMC. Corollary to this main responsibility, the Board shall chart the corporate strategy and set guidelines for accomplishment of corporate objectives, as well as provide an independent check on management.

3.1 Mandate and responsibility for PPMC Board. The responsibilities of Board are provided in its Article of Incorporation, and other relevant legislation, rules and regulations:

- a. Provide the corporate leadership of PPMC subject to rule of law, and the objectives set by the government and PPMC/BCDA;
- b. Establish PPMC's vision and mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance;
- c. Define PPMC's values and standards;
- d. Foster the long-term success of PPMC and secure its sustained competitiveness;
- e. Approve corporate plans and programs consistent with the policy directions of BCDA (Sec. 3.1.1 EO 62 s. 1993);
- f. Approve and adopt internal administrative and operating rules and regulations for implementation by the officials and management;
- g. Establish financial and operations performance targets for management as basis for evaluating and monitoring corporate performance. (Section: 3.1.3, E.O. 62 s. 1993);
- h. Determine the organizational structure of the PPMC, define the duties and responsibilities of all officials and employees and adopting a compensation and benefit scheme for the same;
- i. Ensure that personnel selection shall be on the basis of merit and fitness and that all personnel action shall be in pursuance of the applicable laws, rules and regulations;
- j. Prepare and approve the annual and supplemental budget of PPMC;
- k. Comply with reportorial requirements, as required in PPMC's Articles of Incorporation and By-Laws, as well as applicable laws, rules and regulations;
- l. Carry out the mandate of PPMC, as provided in its Articles of Incorporation;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

m. Act as an effective and independent check on Management; and

3.2 Specific functions of the PPMC Board. In addition, the PPMC Board shall perform, among others, the following functions:

- a. Meet regularly to properly discharge its responsibilities. Independent views during Board meetings shall be given due consideration and all such meetings shall be documented in the minutes of the Board meeting;
- b. Determine the PPMC's purpose and value, as well as strategies and general policies, to ensure that the PPMC survives and thrives despite financial crises and its assets and reputation are adequately protected;
- c. Determine important policies and programs that bear -on the character of PPMC with a view towards ensuring its long-term viability and strength;
- d. Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's overall performance to ensure optimum results;
- e. Ensure that the PPMC complies with all relevant laws, regulations and codes of best business practices;
- f. Select and appoint a President/CEO and other key executives with the appropriate level of motivation, integrity, competence and professionalism;
- g. Establish a competitive selection process to ensure that the key executives of PPMC have the necessary motivation, integrity, competence and professionalism;
- h. Adopt a professional development program for officers and employees, and succession planning for key executives, of the PPMC;
- i. Align key executives and board remuneration with the longer term interests of the corporation;
- j. Monitor and manage potential conflicts of interests of Management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- k. Ensure the integrity of the PPMC's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- l. Oversee the process of disclosure and communications;
- m. Provide sound written policies and strategic guidelines on PPMC's operating budget and major capital expenditures.

3.3 Composition of PPMC Board. The PPMC shall be composed of not more than eleven (11) members. Provided, that, at least one (1) director shall be the BCDA Chairman and a second director shall be the BCDA President or his designated representative in accordance with Sec. 16, RA 7227. (Section 6, EO No. 132)

3.4 Term of Office. The term of office of the Chairman and each Member of the Board shall be for one (1) year, commencing on the 1st of July and ending on the 30th of June of the immediately succeeding year,

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.


Document Control Procedure

Original PPMC

MASTER COPY

Copy PPMC

Uncontrolled Copy

	PORO POINT MANAGEMENT CORPORATION MANUAL OF OPERATIONS/PROCEDURES MANUAL OF CORPORATE GOVERNANCE	Code : PPMC-MOP-LEGAL-05
		Revision : 4th
		Effectivity : December 8, 2023
		Page : Page 16 of 32

unless sooner removed for cause. In the event that no new Board is elected and qualified after the official term of the Board of Directors, the existing Board, if still constituting a quorum, is still a legitimate Board with full authority to bind PPMC. (GCG Memorandum Circular No. 2012-3)

3.5 Qualifications of Board Members. The PPMC, being created under the general corporation law, shall have board members that own at least one (1) share of the capital stock of the PPMC of which he is a director, which share shall stand in his name in the books of the PPMC. In addition, no person shall be nominated as member of the Board representing the capital stock of the national government in PPMC unless he is a Filipino citizen, of good moral character, and of recognized competence in relevant fields, including but not limited to economics, tourism, management, international relations, law or engineering. (Section 6, Executive Order No. 132)

3.6 Charter of Expectations. The Board recognizes its duties and shall adopt a Charter of Expectations as a general statement of its expectations as to how it will discharge its duties. The Charter will also serve as a tool in assessing the Boards' performance and that of individual directors.

3.7 Permanent Disqualification of Board Members. The following individuals are permanently disqualified from appointment or re-appointment, or to continue holding the position of Appointive Director or CEO in any GOCC, as the case may be, thus:

3.7.1 Persons who have been convicted by final judgment of a court or tribunal of:

3.7.1.1 A crime or offense involving dishonesty or breach of trust such as, but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, or bribery; violation of the Bouncing Checks, the Anti-Graft and Corrupt Practices Act, prohibited acts and transactions under Section 7 of the Code of Conduct and Ethical Standards for Public Officials and Employees, violation of banking laws, rules and regulations; Provided, however, that when the penalty imposed in the final judgment of conviction is censure or reprimand, the GCG shall determine from the terms of the judgment whether it shall constitute a ground for permanent or temporary disqualification;

3.7.1.2 A crime or offense where the sentence imposed is a term of imprisonment of at least six (6) years and one (1) day, or;

3.7.1.3 A violation of the laws, rules and regulations particularly applicable to the sector under which the GOCC is classified, and in other related sectors;

3.7.1.4 Persons who have been judicially declared insolvent, spendthrift or incapacitated to contract.

3.7.2 Directors, CEOs and Officers of GOCCS who have been:

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

3.7.2.1 Found by a competent administrative body as administratively liable for violation of laws, rules and regulations particularly applicable to the sector of the GOCC concerned, as well as those covered by related sectors, and where a penalty of removal from office is imposed, which finding of the administrative body has become final and executory;

3.7.2.2 Determined by the Commission on Audit (COA) pursuant to a Notice of Disallowance which has become final and executory, to have, by virtue of their office, acquired or received a benefit or profit, of whatever kind or nature including, but not limited to, the acquisition of shares in corporations where the GOCC has an interest, using the rights, options or properties of the GOCC for their own benefit, receiving commission on contracts from the GOCC's assets, or taking advantage of corporate opportunities of the GOCC; or

3.7.2.3 Found to be culpable for a GOCC'S insolvency, closure, or cessation of operations, as determined by the GCG in consultation with the appropriate Government Agency.

3.7.3 Directors and officers of private corporations, or any person found by the GCG in consultation with the appropriate Government Agency, to be unfit for the position of Appointive Director because they were found administratively liable by such Government Agency for:

3.7.3.1 A violation of laws, rules and regulations relevant to the sector of the GOCC concerned, as well as in related sectors; or

3.7.3.2 Any offense/violation involving dishonesty or breach of trust; and

3.7.3.3 Which finding of such Government Agency has become final and executory (Art. 6.1, GCG MC No. 2012-05)

3.8 Temporary disqualification of incumbent Board members. Incumbent Members of the Board of Directors shall be temporarily disqualified from appointment or re-appointment, or from continuing to hold office, as the case may be, if:

3.8.1 They refused or failed to fully disclose the extent of their business interest or any Material Information to PPMC, GCG or the appropriate Government Agency, when required pursuant to the requirements of the Securities Regulation Code, the Corporation Code of the Philippines, or any other relevant provision of law, as well as when required by a circular, memorandum, rule or regulation, applicable to such institutions, and such disqualification shall be in effect as long as the refusal or failure persists;

3.8.2 They have been absent or who have not participated for whatever reason in more than fifty percent (50%) of all meetings, both regular and special, of the Board during the immediately preceding semester, or who failed to attend for whatever reasons at least twenty five percent (25%) of all board meetings in any year; Provided however, that such temporary disqualification

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

PPMC
Document Control Procedure

Original
MASTER COPY

Copy
PPMC
Uncontrolled Copy

applies only for purposes of the immediately succeeding appointment process for a new Term of Office;

3.8.3 They are delinquent in the payment of their obligations, defined as follows:

3.8.3.1 Delinquency in the payment of obligations means the failure to pay according to the terms of the contracted obligation with a GOCC, Subsidiary or Affiliate or with a private corporation, within at least sixty (60) days from formal demand.

3.8.3.2 Obligations shall include all borrowings obtained by a Director for his/her own account or as the representative or agent of others or where he/she acts as a guarantor, endorser or surety for loans from such institutions; the spouse or child under the parental authority of the Director; any person whose borrowings or loan proceeds were credited to the account of, or used for the benefit of a Director; a partnership in which a Director, or his/her spouse, is the managing partner or a general partner owning a controlling interest in the partnership; and a corporation, association or firm wholly-owned or majority of the capital of which is owned, by any or a group of persons mentioned herein. (Art.6.2 GCG MC. 2012-05)

3.8.3.3 Such temporary disqualification shall be in effect as long as the delinquency persists.

3.8.4 They have been convicted in the first instance by a court for:

3.8.4.1 Any offense involving dishonesty or breach of trust such as, but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, or bribery;

3.8.4.2 Violation of the Bouncing Checks Law, the Anti-Graft and Corrupt Practices Act, prohibited acts and transactions under Section 7 of the Code of Conduct and Ethical Standards for Public Officials and Employees;

3.8.4.3 Violation of banking laws, rules and regulations; or

3.8.4.4 An offense where the penalty imposed is to serve a maximum term of imprisonment of more than six (6) years; but whose conviction has not yet become final and executory; Provided, however, that such temporary disqualification shall automatically cease upon receipt by PPMC of a certified true copy of a judgment amounting to an acquittal.

3.8.5 They are Directors or Officers of private corporations which have been officially declared insolvent, pending their clearance by the GCG in consultation with the appropriate Government Agency;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	: PPMC-MOP-LEGAL-05
Revision	: 4th
Effectivity	: December 8, 2023
Page	: Page 19 of 32

3.8.6 They are disqualified for failure to observe/discharge their duties and responsibilities prescribed under the Ownership and Operations Manual Governing the GOCC Sector, the Code of Corporate Governance for GOCCs, the PPMC Manual of Corporate Governance, or existing rules and regulations of the GCG; and such temporary disqualification applies until the lapse of the specific period of disqualification or upon approval by the GCG of such Directors' appointment/reappointment;

3.8.7 They failed to attend within three (3) months from their appointment and assumption of office the public corporate governance seminar for Directors conducted by the GCG or any individual/entity accredited by the GCG; Provided, however, that such disqualification shall cease when the Director concerned has submitted to PPMC an official certification that he/she has attended such seminar;

3.8.8 They are dismissed/terminated from employment for just cause; provided, however, that such temporary disqualification will cease when they have cleared themselves of involvement in the alleged irregularity;

3.8.9 They are under preventive suspension, whether it be in the government service or in private sector service; provided, however, that Board shall determine from the cause for the preventive suspension whether it shall constitute a ground for temporary disqualification;

3.8.10 They have derogatory records, as certified by, or on the official files of, the Judiciary, the National Bureau of Investigation (NBI), the Philippine National Police (PNP), the Ombudsman, quasi-judicial bodies, other government agencies, international police, monetary authorities and similar agencies or authorities of foreign countries, for irregularities or violations of any law, rules and regulations that would adversely affect the integrity of the Directors or the ability to effectively discharge their duties; and this disqualification applies until they have cleared themselves of the alleged irregularities/violations, or after a lapse of five (5) years from the time the complaint, which was the basis of the derogatory record, was initiated; Provided, however, that Board shall determine from the nature of the derogatory record whether it shall constitute a ground for temporary disqualification;

3.8.11 They are Directors or Officers of private corporations or GOCCs found by the appropriate Government Agency as administratively liable for violation of laws, rules and regulations relevant to the sector of the GOCC, as well as in related sectors, where a penalty of suspension from office or fine is imposed, regardless whether the finding of the appropriate Government Agency is final and executory or pending appeal before the appellate court, unless execution or enforcement thereof is restrained by the court; and such disqualification shall be in effect during the period of suspension or so long as the fine is not fully paid; or

3.8.12 They have conflict as defined under the Code of Conduct and Ethical Standards for Public Officials and Employees and its Implementing Rules and Regulations; and this applies until the

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	: PPMC-MOP-LEGAL-05
Revision	: 4th
Effectivity	: December 8, 2023
Page	: Page 20 of 32

conflict of interest is resolved. Incumbent Members of the Board of Directors shall be temporarily disqualified from appointment or re-appointment, or from continuing to hold office, as the case may be.

3.8.13 They refused or failed to fully disclose the extent of their business interest or any Material Information to PPMC~GCG or the appropriate Government Agency, when required pursuant to the requirements of the Securities Regulation Code, the Corporation Code of the Philippines, or any other relevant provision of law, as well as when required by a circular, memorandum, rule or regulation, applicable to such institutions, and such disqualification shall be in effect as long as the refusal or failure persists.

3.9 Fiduciary capacity of Board members. A Board member assumes a position of trust and confidence and as such, he must act in the best interest of the PPMC. His actions must be characterized by transparency, accountability, fairness and responsibility and he must exercise leadership, prudence and integrity. In this regard, the duties and responsibilities of a PPMC Board member include the following:

- a. Conducting fair business transactions with the PPMC and ensuring that personal interest does not compromise Board decisions. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest arises on the part of board members or senior executives, it must be fully disclosed and the concerned director should not participate in the decision-making;
- b. Devoting time and attention necessary to the proper discharge of his duties and responsibilities. He should attend and actively participate in Board meetings, request and review meeting materials, ask questions and seek clarifications when necessary;
- c. Acting judiciously. Before deciding on any matter brought before the Board, a Board Member should thoroughly evaluate the issues;
- d. Exercising independent judgment. A Board Member should view each problem/situation objectively. Corollarily, he should support plans and ideas that he thinks are beneficial to the corporation;
- e. Gaining a working knowledge of the statutory and regulatory requirements affecting the PPMC, including the contents of its Articles of Incorporation and By-Laws, applicable laws, rules and regulations;
- f. Observing confidentiality. A Board Member should observe the confidentiality of non-public information acquired by reason of his position as director; and
- g. Ensuring the presence and adequacy of internal control mechanisms for good governance by (i) ensuring the presence of organizational and procedural controls; (ii) reviewing conflict-of-interest situations and providing appropriate remedial measures for the same; (iii) reviewing proposed key executive appointments; (iv) ensuring the selection, appointment and retention of qualified and competent management; and (vi) reviewing the PPMC's personnel and human resources policies, compensation plan and the management succession plan.

Distribution			
1	11	21	
2	12	22	
3	13	23	
4	14	24	
5	15	25	
6	16	26	
7	17	27	
8	18	28	
9	19	29	
10	20	30	

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC MASTER COPY
Copy	PPMC Uncontrolled Copy



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	: PPMC-MOP-LEGAL-05
Revision	: 4th
Effectivity	: December 8, 2023
Page	: Page 21 of 32

3.10 Collective and individual liability of Board Members. Any Board Member who, without prejudice to the imposition of criminal or administrative penalties attempts to acquire or acquires, in violation of his duty, any interest adverse to the PPMC in respect of any matter which has been reposed in him in confidence, as to which equity imposes a disability upon him to deal in his own behalf, he shall be liable as a trustee for the PPMC and must account for the profits which otherwise would have accrued to the PPMC. Any Board Member who enters into a transaction or contract grossly disadvantageous to the government, whether he profited from it or not, shall be liable for violation of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act.

3.11 Board Meetings and Quorum Requirement. The regular meeting of the Board of Directors shall be every month at a place and date as determined and approved by the Board of Directors, provided that the Chairman may reschedule the same upon notice to all members of the Board. Special meeting of the Board may be held at any time upon the call of the Chairman or the President upon the request of two or more directors.

3.11.1 Notice of regular or special meetings stating the date, time and place of meeting must be sent to each and every director at least three (3) business days prior to the scheduled meeting. A director may waive this requirement either expressly or impliedly.

3.11.2 A majority of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business. Every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act except for the election or appointment of officers which shall require the vote of all the members of the board.

3.11.3 Every member shall attend such meetings in person, through teleconferencing or video conferencing to ensure that the quorum requirement is met, unless otherwise prevented by justifiable causes.

3.12 Remuneration of Directors and Offices. The compensation of the Members of the Board of Directors and Officers shall have the following components:

3.12.1 Per diem for every board meeting actually attended; and

3.12.2 Performance-Based Incentives that may be allowed-based on agreed upon metrics as provided under Section 11 of Executive Order No. 24, Series of 2011.

Members of the Board shall receive a per diem based on the PPMC classification approved by the GCG. The per diem collected per month shall not exceed the equivalent of four (4) meetings and shall further be subject to the limits set forth in Sections 9 and 10 of Executive Order No. 24, Series of 2011. Any increases from the current rates of per diems being granted shall take effect only upon approval by the President of the Philippines.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

Officers of the Board who are not concurrent Members of the Board shall receive a per diem based on rates authorized by the PPMC Board. The per diem collected per month shall not exceed the equivalent of four (4) meetings and shall further be subject to the limits set forth in Sections 9 and 10 of Executive Order No. 24, Series of 2011.

3.13 Ongoing or continuous professional education program. Newly appointed Directors must undergo PPMC's orientation 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 PPMC 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 PPM. PPMC allocates funds for these seminars and training sessions.

IV. BOARD COMMITTEE

4.1 Regular Committees. As a minimum, the PPMC Board shall be supported by the following regular committees:

4.1.1 Executive Committee. The Board shall appoint from among its members an Executive Committee composed of not less than three (3) members, a majority of whom shall be citizens of the Philippines, shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman.

4.1.1.1 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 By-Laws, except with respect to:

- (a) approval of any action for which shareholders' approval is also required;
- (b) the filling of vacancies on the Board or in the Executive Committee;
- (c) the amendment or repeal of By-Laws or the adoption of new By Laws;
- (d) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) the distribution of cash dividends; and (f) the exercise of powers delegated by the Board exclusively to other committees, if any. The attendance of at least two (2) members of the Executive Committee shall constitute a quorum.

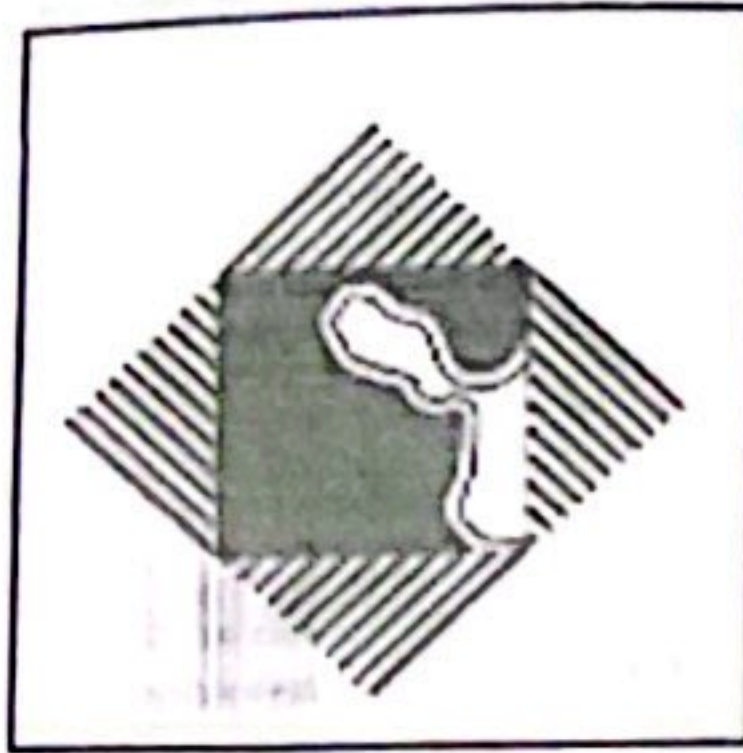
4.1.1.2 The Executive Committee shall fix its own rules of procedures. An act of the Executive Committee which is within the scope of its powers shall not require ratification or approval for its validity and effectivity, provided however that the Board may, at any time, enlarge or

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	: PPMC-MOP-LEGAL-05
Revision	: 4th
Effectivity	: December 8, 2023
Page	: Page 23 of 32

redefine the powers of the Executive Committee shall be reported to the Board at the meeting thereof following such action and shall be subject to revision or alteration by the Board, provided that no rights or acts of third parties shall be affected by any such revision or alteration.

4.1.2 Audit and Risk Oversight Committee. There shall be an Audit and Risk Oversight Committee composed of at least three (3) members with at least one (1) member having a background in audit, accounting, finance or investments. Its Chairman should have audit, accounting or finance background and shall designate Vice-Chairman who will preside at the meeting in the absence of the Chairman and perform the functions of the Chairman. It shall have the following particular duties and responsibilities:

- (a) Review and approve the Annual Audit Plan of the Office of the Internal Auditor;
- (b) Review the Internal Audit Service Office (IASO) Audit Report and recommend solutions to the PPMC Board to address the audit findings. The Board Audit & Risk Oversight Committee shall ensure that the resolutions, as concurred by the PPMC Board, shall be acted promptly by Management so that the audit findings shall be satisfactorily addressed;
- (c) Be responsible for setting up an internal audit department and consider the appointment and removal of the Chief Audit Executive so that the reporting levels allow the internal audit activity to fulfill its responsibilities;
- (d) Ensure that the IASO shall have free and full access to all the corporation's records, properties and personnel relevant to and required by its functions and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;
- (e) Ensure that management is taking appropriate corrective actions in a timely manner in addressing control and compliance functions with regulatory agencies;
- (f) Review the monthly, quarterly and annual financial statements before submission to the PPM 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 and COA requirements;
- (g) Monitor the creation of the Risk Management Policy and Procedures for PPMC;
- (h) Review, evaluate and monitor risk management policies, structures and processes as defined by Management;
- (i) Review and assess information provided by Management on risk exposures and risk management activities and possible solutions to risks that the corporation faces.

4.1.3 Nominations and Remunerations Committee. The Nomination and Remunerations Committee shall consist of at least three (3) members of the Board and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. The Committee shall be responsible for the following:

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original PPMC

~~MASTER COPY~~

Copy PPMC

Uncontrolled Copy

- (a) 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;
- (b) Developing recommendations to the GCG for updating the CPCS and ensuring that it is consistent with the PPMC's culture, strategy, control environment, as well as the pertinent laws, rules, and regulations;
- (c) Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members;
- (d) Provide oversight to the Selection Committee and Selection and Promotions Board;
- (e) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the corporation's culture, strategy and control environment.

4.1.4 HR Committee. There shall be an HR Committee composed of at least three (3) members, and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. It shall have the following duties and responsibilities:

- (a) Assist the Board of Directors in the conduct of studies, policy formulation, and monitoring of the implementing guidelines pertaining to issues, concerns and problems that affect organization and personnel;
- (b) Coordinate with Management in addressing specific key result areas (KRAs) and adherence to existing policies on such matters as personnel recruitment, performance evaluation standards and processes, assignments, promotions and entitlements;
- (c) Pursue broad organizational goals such as the promotion of meritocracy, the development of teamwork and the enhancement of morale among personnel;
- (d) Review and approve the Annual Training Program of the Office for Human Resources and Administration;
- (e) Conduct periodic review of the organizational structure to ensure that it remains responsive to PPMC's goals, objectives and strategies;
- (f) Oversee the development and periodic update of Manual of Personnel Policies to ensure documentation and enforcement of as well as compliance with personnel policies, guidelines on employee benefits, and code of conduct for officers and employees.

4.1.5 Investment and Promotions Committee. There shall be an Investment and Promotion Committee composed of at least three (3) members and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee,

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. The Committee shall have the following duties and responsibilities:

- (a) Review strategies and policies that generally affect the investment climate, marketing and after sales service programs of PPMC;
- (b) Conduct periodic review and validation to determine the viability and profitability of the asset disposition program;
- (c) Conduct periodic review and validation to determine whether the marketing program is appropriate, realistic and viable;
- (d) Conduct regular validation and review of the Master Development Plans for BCDA properties to determine suitability to current real estate trends and developments;
- (e) Formulate sound strategic business management framework to maximize benefits from the disposition and development of land and other assets;
- (f) Assess marketing strategies, programs, projects and activities which will require study for formulation of policies for approval by the Board;
- (g) Assess investment proposals with terms, issues and conditions which will require study for formulation of policies for approval by the Board.

4.1.6 Finance Committee. There shall be a Finance Committee composed of at least three (3) members and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. The Committee shall have the following duties and responsibilities:

- (a) Establish guidelines for the formulation of the annual and supplemental budgets of PPMC for the consideration of the Board;
- (b) Perform a periodic in-depth review of the operating budget which includes:
 - Operation Expenses (OPEX);
 - Personal Services (PS);
 - Maintenance and Other Operating Expenses (MOOE); and
 - Capital Expenditures (CAPEX);
- (c) Exercise oversight function in the fiscal management of resources;
- (d) Formulate guidelines for the investment of corporate funds and conduct periodic review to determine viability and profitability of investments and/or placements;
- (e) Conduct quarterly review to determine whether lease payments, amortization or other recurring income are regularly collected and the shares of the stakeholders are remitted;
- (f) Determine the necessity of incurring loans or other financial obligations;
- (g) Conduct an in-depth review of the financial terms of all loan requirements and financial obligations;
- (h) Conduct monthly review of PPMC's financial statements;
- (i) Validate financial statements prior to the submission by Management to the Board;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

(j) Recommend changes in accounting policies, where appropriate, in accordance with the pronouncements of regulatory bodies.

4.1.7 Corporate Governance Committee. The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. The Committee shall be composed of at least three (3) members of Board and chaired by the Chairman of the Board and shall designate Vice-Chairman who shall preside at the meeting in the absence of the Chairman and perform the functions of the Chairman. The Committee shall be responsible for the following:

- (a) Oversee the periodic performance evaluation of the Board and its committees and Management; and shall also conduct an annual self-evaluation of their performance;
- (b) 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;
- (c) 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
- (d) Recommend the manner by which the Board's performance may be evaluated and propose an objective performance may be evaluated and propose an objective criteria approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholders' value.

4.1.8. Legal and Regulatory Concerns Committee. There shall be Legal and Regulatory Concerns Committee composed of at least three (3) members. The Chairman of the Committee must possess an adequate understanding of Philippine Law and the legal system and shall designate Vice-Chairman who shall preside at the meeting in the absence of the Chairman and perform the functions of the Chairman. In particular, the Committee shall:

- (a) Monitor the cases and legal strategy in collaboration with handling lawyer from the OSG, OGCC and assist the legal counsel of PPMC to govern the legal framework of the management;
- (b) Evaluate, review and monitor legal, management policies, structures and processes as defined by Management. It shall also recommend measures to address, mitigate, minimize or eliminate risks affecting the organization;
- (c) Review, evaluate and monitor policy-level studies involving legal and other reports provided by Management for consideration of the Board;
- (d) Review, evaluate and monitor Management's researches and the preparation of analytical materials on probable causes, explanations and possible solutions to legal that the corporation faces;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

- (e) Review and endorse to the PPMC Board position papers and key policy issues prepared by Management for use of any branch of the government;
- (f) Provide oversight for:

- f.1 Monitoring compliance and fulfillment of Contracts and Agreements executed by PPMC;
- f.2 Monitoring major Programs and Projects implemented by the different departments or offices of PPMC;
- f.3 Monitoring financial compliance of registered enterprise, lessees, and joint venture partners of PPMC;
- f.4 Monitoring the status of compliance with lease agreements, joint venture/joint development agreements and memoranda of agreements signed by PPMC.

4.1.9 Infrastructure Management Committee. There shall be an Infrastructure Committee composed of at least three (3) Directors and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. The Committee shall be responsible for the following:

- (a) Oversee the management of infrastructure projects and utilities within the Poro Point Freeport Zone;
- (b) Review new infrastructure projects and associated budget requirements, prior to their being considered for the inclusion in the PPMC's budget;
- (c) Initiate the identification of the need for and recommend to the PPMC Board, policies related to the infrastructure and utilities within the Poro Point Freeport Zone
- (d) Manage the physical planning of the Poro Point Freeport Zone to comply with the approved Master Development Plan and Development.

4.1.10 Management Information System (MIS)/ Information Technology (IT) Committee. There shall be a Board Management Information Systems/Information Technology Committee composed of at least three (3) members and shall designate one of such members as Chairman and Vice-Chairman of the Committee. In the absence of the Chairman of the Committee, the Vice-Chairman shall preside at the meeting and perform the functions of the Chairman. It shall have the following duties and responsibilities:

- (a) Assist the PPMC Board in the conduct of studies, formulation of policies and implementing guidelines pertaining to Management Information Systems (MIS)/Information Technology (IT);
- (b) Provide guidance to Management in the preparation of Information Systems Strategic Plan of the corporation to ensure alignment with PPMC's Charter Statement and Strategy Map and compliance with government requirements and legal issuances;
- (c) Review and recommend to the PPMC Board the Information Systems Strategic Plan of the corporation;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	
PPMC	

Uncontrolled Copy

- (d) Provide guidance to Management in setting annual performance targets to achieve Strategic Plan;
- (e) Review cyber security measures and provide recommendations to Management on compliance with government laws, rules, and regulations on data protection;
- (f) Review and recommend to the PPMC Board the required ICT Projects to be undertaken whether by administration or outsourced in coordination with Management;
- (g) Review and recommend to the PPMC Board the Terms of Reference of ICT Projects to be outsourced in coordination with Management;
- (h) Review resource requirements and recommend to the PPMC Board the following:
 - i. ICT organizational structure, personnel qualifications and training;
 - ii. Deployment of ICT equipment, and
 - iii. Budget.
- (i) Conduct periodic review and validation of the implementation of the approved Information Systems Strategic Plan and attainment of performance targets.

V. BOARD OFFICERS

5.1 PPMC Board Officers. The Board Officers of PPMC are the Chairman of the Board, the President and Chief Executive Officer, the Corporate Secretary, and the Compliance Officer, who must all be Filipino citizens. (Sec. 15, GCG MC 2012-07).

5.2 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board. He shall:

- a. Schedule meetings to enable the Board to perform its duties responsibly while not interfering with the flow of PPMC's operations.
- b. Prepare the meeting agenda in consultation with the President and CEO.
- c. Exercise control over quality, quantity and timeliness of the flow of information between management and the Board.
- d. Ensure compliance with the GOCC Code of Corporate Governance.

5.3 Vice-Chairman. In the absence of the Chairman of the Board, the Vice-Chairman shall preside at the meetings of the Board and perform the functions of the Chairman. The President and Chief Executive Officer of PPMC shall be the ex-officio Vice Chairman.

5.4 President and Chief Executive Officer. The President & CEO is ultimately accountable for the PPMC's organization and procedural controls. In addition to the duties imposed on him by the Board and the PPMC Articles of Incorporation and By-laws, the President shall:

- a. Exercise general supervision of the business, affairs, and property of the corporation and over its employees and officers.

Distribution					
1		11		21	
2		12		22	
3		13		23	
4		14		24	
5		15		25	
6		16		26	
7		17		27	
8		18		28	
9		19		29	
10		20		30	

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC MASTER COPY
Copy	PPMC Uncontrolled Copy



PORO POINT MANAGEMENT CORPORATION
MANUAL OF OPERATIONS/PROCEDURES
MANUAL OF CORPORATE GOVERNANCE

Code	:	PPMC-MOP-LEGAL-05
Revision	:	4th
Effectivity	:	December 8, 2023
Page	:	Page 29 of 32

- b. See to it that all orders and resolutions of the Board are carried into effect.
- c. Submit to the Board as soon as possible after the close of each fiscal year a complete report of the operations of PPMC for the preceding year, and the state of its affairs; and
- d. Report to the Board from time to time all matters which the interest of PPMC may require to be brought to its notice.

5.5 Corporate Secretary. The Corporate Secretary need not be a member of the Board who shall have the following functions:

- a. Serve as an adviser to the Members of the Board on their responsibilities and obligations.
- b. Keep the minutes of meetings of the Board, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and CEO and other members of the Board as appropriate.
- c. Keep in safe custody the seal of PPMC and affix it to any instrument requiring the same.
- d. Have charge of such books and papers as the Board may direct.
- e. Attend to the giving and serving of notices of Board and Board Committee meetings.
- f. Be fully informed and be part of the scheduling process of other activities of the Board.
- g. Prepare an annual schedule of Board meetings and the regular agenda of meetings and put the Board on notice of such agenda at every meeting.
- h. Oversee the adequate flow of information to the Board prior to meetings.
- i. Ensure compliance with and/or fulfillment of disclosure requirements to regulatory bodies.

The Board shall have separate and independent access to the Corporate Secretary.

5.6 Corporate Treasurer. The Corporate Treasurer who is a member of the Board shall be responsible for the following:

- a. Provide the Board with accurate, relevant, and timely operating and financial reports and analysis necessary for financial planning and strategy formulation, and monitor actual implementation of budgets, plans and programs towards the achievement of corporate goals.
- b. Maintain the integrity of accounting records as the basis of the financial statements and reports provided to the Board for decision making and to government regulatory bodies in compliance with statutory requirements.
- c. Promote investor and public confidence in PPMC by addressing the various information requirements of the investing public and ensuring that all other legal reportorial obligations to the concerned agencies are complied with.
- d. Strengthen internal controls by monitoring compliance with policies and recommending to Management and the Board appropriate actions and changes in systems and procedures in the exigencies of the service.

Distribution			
1		11	21
2		12	22
3		13	23
4		14	24
5		15	25
6		16	26
7		17	27
8		18	28
9		19	29
10		20	30

This document is a sole property of PPMC. Unauthorized reproduction, in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure

Original

MASTER COPY

Copy

PPMC

Uncontrolled Copy

5.7 Compliance Officer. The Board shall appoint a Compliance Officer who shall report directly to the Chairman of the Board. He/She shall perform the following duties:

- a. Monitor compliance by PPMC with the GOCC Code of Corporate Governance and the rules and regulations of regulatory agencies, where applicable, and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation.
- b. Certify the extent of the PPMC's compliance with the GOCC Code of Corporate Governance for the completed year and, if there are any deviations, explain the reason for such deviation. (GCG Manual)

5.8 Annual performance evaluation of the PPMC Board. Subject to rules and regulations issued by the GCG, a systematic evaluation process of the PPMC Board shall be developed as a necessary tool in enhancing its professionalism and as a useful incentive for Board Members to devote sufficient time and effort to their duties. (Section 16, of RA 10149).

VI. MANAGEMENT

6.1 Management should be primarily accountable to the Board. Management is primarily accountable to the Board for the operations of PPMC. As part of its accountability, it is obligated to provide the Board with complete and adequate information on the operations and affairs of PPMC with utmost concern and diligence. (4.1)

6.2 Executive Officers. Executive officers of PPMC down to the third level shall be elected or appointed by the Board. The President & CEO shall be authorized by the Board to appoint all others, provided, that all appointments shall be on the basis of merit and fitness. However, the PPMC shall be exempt from the coverage of the Civil Service Laws, rules and regulations. {Sec. 1, Executive Order No. 132}.

6.3 President & CEO. The President & CEO of PPMC shall, among others, have the following duties and responsibilities:

- a. Preside the Board Meeting in the absence of the Chairman and act as Chief Executive Officer of PPMC.
- b. Execute, administer and implement the policies and measures approved by the Board.
- c. Direct and supervise the operations and administration of PPMC.
- d. Represent PPMC in all dealings with offices, agencies and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign.
- e. Direct and supervise the preparation of the agenda for the meeting of the Board, and to submit for the consideration of the Board such policies and measures necessary to carry out the purpose and objectives of the Articles and By-Laws.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	

- f. Represent PPMC in all dealings with offices, agencies and instrumentalities of the government and with any persons and entities; public or private, domestic or foreign, in the absence of the President.
- g. Direct and supervise the preparation of the agenda for the meeting of the Board and submit for consideration of the Board such policies and measures as necessary to carry out the purpose and objectives of PPMC in the absence of the President.
- h. Exercise such other powers and performs such functions as may be directed by the President and/or the Board.
- i. Oversee the provision of technical support in the continuous development and effective implementation of the bases development program.
- j. Act as PPMC spokesman on policies and programs in the absence of or under expressed authority from the President.

6.4 Vice-President. The Vice-President shall have the following duties and responsibilities:

- a. Plan, direct, organize and oversee, and coordinate the entire operations of the Group in accordance with Board directives, in the Corporation's charter and its mandate.
- b. Oversee the administration of the corporate policies towards developing medium range and long-range plans and programs.
- c. Monitor and evaluate the progress of implementation of the various programs and projects of the Group involved in baseland development, geared towards the continuing improvement and substance of the lands/properties for conversion.
- d. Conduct analysis of the corporate activities pertinent to the bases under the Group, costs, operations and data forecasting and recommends to the President and Board appropriate measures thereof.
- e. See that the Chairman, President, and the Board of Directors are properly and regularly appraised of the progress of the programs for developing converted programs.
- f. Transact official business, for and in behalf of the President with other government and private institutions/organizations or entities within the scope of his/her authority.
- g. Recommend to the President/Board of Directors policy advocacies on measures that will help hasten, improve and sustain the implementation of development programs towards complete bases conversion.
- h. Perform other tasks assigned by the President, and the Board of Directors.

6.5 Legal Counsel. The Legal Counsel shall of PPMC and shall perform the following duties and responsibilities:

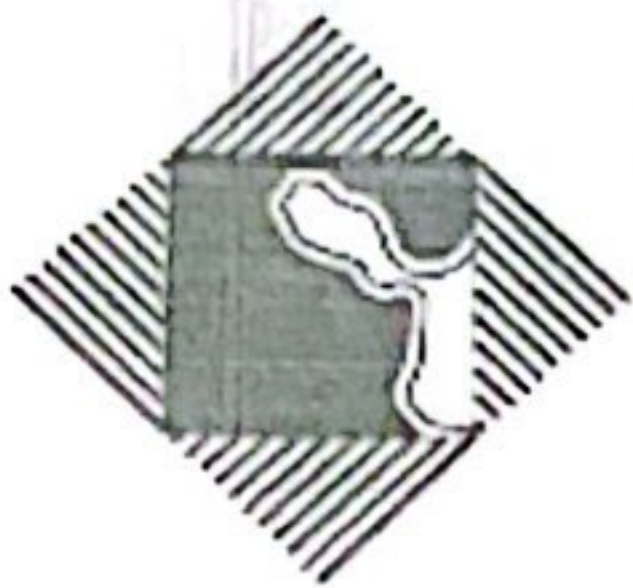
- a. Formulate plans, programs, policies and procedures for the prompt, expeditious and just disposition of administrative cases;
- b. Formulate plans, procedures for the proper legal documentation of all PPMC transactions;
- c. Undertake the final review of all opinions, contracts and other legal documents prepared by the staff;

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
	MASTER COPY
Copy	PPMC
	Uncontrolled Copy

	PORO POINT MANAGEMENT CORPORATION MANUAL OF OPERATIONS/PROCEDURES MANUAL OF CORPORATE GOVERNANCE	Code : PPMC-MOP-LEGAL-05
		Revision : 4th
		Effectivity : December 8, 2023
		Page : Page 32 of 32

- d. Formulate plans, policies and procedures on all matters concerning legal research, opinion writing and classification of legal information;
- e. Handle complicated legal problems affecting PPMC in coordination supervision of the OGCC;
- f. Decide and recommend courses of actions to be taken in actual or impending litigations;
- g. Review and approves evidence and pleadings to be filed/submitted in court;
- h. Administer the formulation and drafting of contracts and other corporate documents.

VII. MISCELLANEOUS PROVISIONS

7.1. Interpretation of Salient Provisions. All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the State and stakeholders of PPMC.

7.2 Severability and Construction. Each paragraph, part, term and/or provision of this Manual shall be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid or contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Manual.

7.3 Approval by the GCG. This Manual shall be subject to the review and approval of the GCG the comments and suggestions of which shall form an integral part of this Agreement.

7.4 Effectivity. This Manual shall be effective fifteen (15) days after it is published in the PPMC website and from the date formal notice of the GCG approval is received.

Done this 7th day of July 2023 in the City of San Fernando, La Union.

Distribution				
1		11		21
2		12		22
3		13		23
4		14		24
5		15		25
6		16		26
7		17		27
8		18		28
9		19		29
10		20		30

This document is a sole property of PPMC. Unauthorized reproduction in part or in whole renders the copy unofficial.

Any external disclosure is prohibited without the written approval of the Quality Management Representative. Document Control Procedure applies.

Document Control Procedure	
Original	PPMC
MASTER COPY	
Copy	PPMC
Uncontrolled Copy	