

# COMPOSITION OF THE BOARD COMMITTEES

COMMITTEES	COMPOSITION
<p><b>Executive Committee</b> - shall be composed of five (5) members of the Board, with the Vice-Chairman of the Board being the Committee Chairman. 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 PPA's Charter, except with respect to:</p> <ul style="list-style-type: none"> <li>(a) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;</li> <li>(b) Exercise of powers delegated by the Board exclusively to other committees; and</li> <li>(c) Filing of vacancies on the Board or in the Executive Committee.</li> </ul>	<p><b>Chairman:</b> PPA  <b>Members:</b> MARINA  Private Sector Representative  DPWH  DENR  DOTr</p>
<p><b>Audit and Risk Management Committee</b> - shall consist of at least three (3) Directors, whose Chairman should have audit, accounting or finance background and with at least one member having a background in finance and investments.</p> <ul style="list-style-type: none"> <li>(a) Overseeing, monitoring and evaluating the adequacy and effectiveness of PPA's internal control system, engage and provide oversight of PPA's internal and external auditors, and coordinate with the Commission on Audit (COA);</li> <li>(b) Reviewing and approving audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;</li> <li>(c) Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;</li> <li>(d) Ensuring that internal auditors have free and full access to all PPA's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;</li> </ul>	<p><b>Chairman:</b> DOF  <b>Members:</b> NEDA  DTI</p>

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<p>(e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the PPA through a procedures and policies handbook that will be used by the entire organization;</p> <p>(f) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of PPA, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;</p> <p>(g) Developing the Risk Management Policy of PPA, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of PPA, especially at the Board and Management level; and</p> <p>(h) Providing quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investments proposals.</p>	
<p><b>Governance Committee</b> - 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. The Committee shall be responsible for the following:</p> <p>(a) Overseeing the periodic performance evaluation of the Board and its committees and Management; and also conducting an annual self-evaluation of their performance;</p> <p>(b) Deciding whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards;</p> <p>(c) Recommending to the Board regarding the continuing education of Directors, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and</p> <p>(d) Recommending the manner by which the Board's performance may be evaluated and proposing an objective performance criteria to be approved by the Board.</p>	<p><b>Chairman:</b> DOTr</p> <p><b>Members:</b> PPA Private Sector Representative</p>

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<p><b>Nomination and Remunerations Committee</b> - shall consist of at least three (3) members of the Board. The Committee shall be responsible for the following:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) Developing recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with the PPA's culture, strategy, control, environment, as well as the pertinent laws, rules and regulations;</li> <li>(c) Reviewing and evaluating the qualifications of all persons nominated to the positions in the PPA which require appointment by the Board; and</li> <li>(d) Recommending to the GCG nominees for the shortlist in line with PPA's Board Composition and Succession Plan.</li> </ul>	<p><b>Chairman:</b> PPA  <b>Members:</b> Private Sector Representative  MARINA</p>
<p><b>Finance Committee</b> - shall consist of at least three (3) Members. The Finance Committee shall be responsible for the review of all the financial matters and transactions of PPA prior to presentation and/or approval of the Board.</p>	<p><b>Chairman:</b> NEDA  <b>Members:</b> Private Sector Representative  DOF</p>