

III. Responsibilities of the Board		
11. Corporate Vision/Mission		
b. does the Board of Directors monitor/over see the implementation of the corporate strategy	<p>Page 6 of Revised Manual on Corporate Governance</p> <p>http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf</p>	<p>The Board, as part of its specific functions, monitors and evaluates on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results.</p>
12. Did the GOCC achieve 90% in the PES?		
Yes. http://gcg.gov.ph/site/public_files/gcg1434617094.pdf		
14. Does the Board appoint a Nomination and Compensation/Remuneration Committees		
<p>Yes. Under Page 15 of the Revised Manual on Corporate Governance, the Committee on Compensation or Remuneration is constituted as a sub-committee of the Governance Committee. It is composed of at least 3 members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration for directors and officers to ensure that their compensation is consistent with GCG's CPCS, the corporation's culture, strategy and the business environment in which it operates.</p> <p>The Revised Manual on Corporate Governance likewise explains that it cannot establish a Nomination Committee since 6 of its Board Director are Ex Officio members while five are appointed by the President of the Philippines.</p> <p>http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf</p>		
17. Does the Board appoint an Audit Committee?	<p>Under page 15 of the Revised Manual on Corporate Governance, it declares that the Board shall constitute an Audit Committee</p> <p>http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf</p>	<p>Audit Committee – this committee is tasked to:</p> <ol style="list-style-type: none"> 1. assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

		<ol style="list-style-type: none"> 2. provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation; 3. review the annual internal audit plan to ensure its conformity with the objectives of the corporation; 4. review the reports submitted by the internal and external auditors; 5. review the quarterly, half-year and annual financial statements before their submission to the Board;
<p>18. If yes, is the report of the Audit Committee publicly disclosed?</p>	<p>The Audit Committee is composed of DBM Undersecretary Luz Cantor as its Chairperson and NHMFC President Dr. Felixberto U. Bustos, HUDCC Secretary General Cecilia Alba, DOF Director Joanna P. Castillo and Private Sector Representative Jovito Labajo as its members.</p> <p>DBM Undersecretary Luz Cantor is an academic scholar and graduate of St. Louis University with a degree in Business Administration, Major in Accounting. She is a Certified Public Accountant (CPA) and also has a Certificate in Development Economics from the University of the Philippines and a Masters in Management from Philippine Christian University.</p> <p>In 2014 and 2015, the Audit Committee monitored and evaluated SHFC's corporate financial performance and financial statements and discussed the COA's Annual Audit Report in relation to SHFC Management's Actions to COA's Audit Observations.</p>	
<p>19. Does at least one member of the Audit have an audit, accounting or finance background (qualification</p>	<p>Yes.</p> <p>http://www.shfcph.com/Resume%20of%20CANTOR.pdf</p>	<p>DBM Usec. Luz M. Cantor, Audit Committee Chairperson</p>

or experience)?		
20. Did the Audit Committee meet at least four times during the year?		
21. Does the board appoint a Risk Management Committee?	<p>Yes. Page 16 of the Revised Manual on Corporate Governance http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf</p>	<p>Risk Management Committee – this committee is tasked to perform oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational, and other risks of the GOCC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities</p>
22. If yes, is the report of the Risk Management Committee publicly disclosed?	<p>The Risk Management Committee is composed of NHMFC President Dr. Felixberto U. Bustos as its Chairperson and SHFC President Ma. Ana R. Oliveros, HUDCC Secretary General Cecilia Alba, DBM Undersecretary Luz Cantor, DOF Director Joanna P. Castillo and Private Sector Representative Jovito Labajo as its members.</p> <p>NHMFC President Dr. Felixberto U. Bustos, a seasoned banking executive with over 25 years of experience in regulated industries, is a graduate of the University of the Philippines with a degree in Doctor of Business Administration. He also a Master of Business Administration Degree from Columbia University. He is a Chartered Financial Analyst (CFA), a Financial Risk Manager (FRM) and a Certified Public Accountant (CPA), both in the Philippines and in New York, USA.</p> <p>In 2014, the Risk Management tackled the issue of the need for SHFC to have its own Risk Management Manual and establish a financial and operational Risk Management System.</p>	

23. Does at least one member of the Risk Management Committee have a background in finance and investments?	Yes. http://www.shfcph.com/Resume%20of%20BUSTOS.pdf	NHMFC President Felixberto U. Bustos, Risk Management Committee Chairperson
24. Board meetings and attendance		
a. are the Board of Directors meetings scheduled at the beginning of the year? (end of Q1)	Yes. Page 6 of the Revised Manual on Corporate Governance http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf	Part of the Board's specific functions is to meet regularly, ideally at least once every month , to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and that all such meetings shall be properly documented or minuted; The attendance record/minutes of meetings would reflect that the Board always meets at the start of the calendar year.
c. did the Board of Directors meet at least 75% on their scheduled meetings?	http://www.shfcph.com/Transparency_Seal.html	The Board conducted 11 Board Meetings both for 2014 and 2015.
e. did the Board of Directors	Yes.	The Board met without the SHFC President during the 88th Board Meeting

meet separately at least once during the year without the President/CEO present?		held on 22 January 2014 and 92nd Board Meeting held on 26 May 2014
25. Access to information		
a. does SHFC have a policy that stipulates board papers for Board of Directors meetings be provided to the Board at least three (3) working days in advance of the Board meeting	Yes	Board materials are provided to the Board Members at least seven (7) days in advance of the Board Meeting (HUDCC Memorandum)
b. is the Board Secretary trained in legal, accountancy or company secretarial practices?	Yes	Board Secretary Jose D. Melgarejo was admitted to the Philippine Bar in 1998. He is currently serving as SHFC's Vice President-Corporate Legal Counsel/Compliance Office.
26. Internal Audit		
a. does the company	Organizational Structure	http://shfcph.com/Organizational_Structure.html

<p>have a separate internal audit function?</p>		
<p>b. does the appointment and removal of the internal auditor require the approval of the Audit Committee?</p>	<p>Yes. Revised Manual on Corporate Governance, page 13 http://www.shfcph.com/Revised%20Manual%20of%20Corporate%20Governance%202015.pdf</p>	<p>13.1.2. An internal audit system shall be established that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. <u>The Board shall appoint an Internal Auditor to perform the audit function, and require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate.</u> The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.</p> <p>It is recognized in the Philippine legal system that the power to appoint carries the power to remove or to discipline.</p>
<p>28. Board Chairman Do different persons assume the roles of Chairman and CEO?</p>	<p>Yes. EO 272 mandates that SHFC's Chairperson of the Board shall be the HUDCC Chairperson and the SHFC President shall be the Ex Officio Vice Chairperson.</p>	<p>Executive Order No. 272</p> <p>Section 4. Board of Directors of the SHFC. – The Board of Directors of the SHFC shall be composed of the following:</p> <ul style="list-style-type: none"> * HUDCC Chairman as ex-officio Chairman; * SHFC President as ex-officio Vice Chairman; <p style="text-align: right;">xxx</p>
<p>29. Board Director Development</p>		

<p>a. Does SHFC have orientation programmes for new Directors?</p>		<p>In 2014, in compliance with Article 5(f) of GCG Memorandum Circular 2012-05, SHFC’s Board of Directors, both Ex Officio and Appointive, underwent a Public Corporate Governance Seminar covering the following topics:</p> <ol style="list-style-type: none"> 1. Overview of RA No. 10149 <ol style="list-style-type: none"> a. The Executive Branch and Supervising Agencies vis-à-vis GOCCs b. Service-wide agencies vis-à-vis GOCCs (Civil Service Commission, Commission on Audit, Department of Budget and Management) 2. GOCCs as significant tools for Economic Development <ol style="list-style-type: none"> a. Purpose of GOCCs and the Ownership and Operations Manual (GCG MC No. 2012-06), Code of Corporate Governance for GOCCs (GCC MC 2013-07), the Fit and Proper Rule (GCG MC No. 2012-05) and other pertinent GCG issuances b. The Social Contract, the Philippine Development Plan 2011-2016, and the development priorities of the Administration 3. Appointive Directors as Public Officials <ol style="list-style-type: none"> a. Overview of Public-Private Partnership and RA No. 7718 b. Overview of RA No. 9184 and its IRR, Procurement Reform Act c. RA No. 6713, Code of Conduct for Public Officials and Employees
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		d. RA No. 3019, Anti-Graft and Corrupt Practices Act
c. did all appointive directors attend at least 1 training for the calendar year?		On 11 and 12 September 2014, all SHFC Board Directors, both Appointive and Ex Officio, attended the Development Academy of the Philippines' Orientation Seminar on Public Corporate Governance
30. Board Appraisal		
a. is the annual performance assessment conducted of the Board of Directors?	Yes.	The SHFC adopts the Performance Evaluation for Directors of the GCG