



SOCIAL HOUSING FINANCE CORPORATION

Enhancing People's Lives and Empowering Communities through FAIR Shelter Solutions

COMPLIANCE OFFICER'S CERTIFICATION OF SOCIAL HOUSING FINANCE CORPORATION'S COMPLIANCE WITH ITS REVISED MANUAL ON CORPORATE GOVERNANCE

This pertains to the SEC Memorandum Circular No. 6, Series of 2009, as amended by SEC Memorandum Circular No. 9, Series of 2014 and Section 15.4 (c) of GCG Memorandum Circular 2012-07 directing Social Housing Finance Corporation (SHFC), a Government Owned or Controlled Corporation (GOCC) covered by the Corporation Code, to submit its **Compliance Officer's Certification** regarding its compliance with its Revised Manual on Corporate Governance and government corporate standards governing GOCCs.

In view thereof, the undersigned hereby **certifies** that the following corporate actions were instituted and/or performed, to wit:

I. Rights of Stockholders

- a) The Office of the Board Secretary issues and delivers the Notices of Annual Stockholders Meeting containing the Agenda within the prescribed or reasonable period for prior notice requirement;
- b) The Board held its 9th Annual Stockholders Meeting on 13 December 2016. The SHFC Board is composed of *Ex Officio* and Appointive Directors which is still currently in a "transition period" in view of the recent change in the Government Administration.
- c) The Corporation's 2016 Corporate Performance Report has been presented to the Board and Management and has submitted the same to GCG for its evaluation and validation.
- d) The Corporation has an Internal Audit Department reporting directly to the Office of the President/Vice Chairman of the Board of Directors and is under the supervision of the Audit Committee composed of Board Members

II. Responsibilities, Duties and Functions of the Board

- a) In order to sustain its competitiveness and profitability in a manner consistent with its corporate objectives, the Board has approved the following policies and guidelines, to wit:
 - i. Rationalization of the payment scheme for HDH Re-financing projects
 - ii. Adoption of the Performance-Based Incentive System in accordance with GCG Memorandum Circular No. 2015-6
 - iii. Approval of SHFC's loan re-structuring and condonation program under RA

- iv. Approval of the Directors' and Officers' Liability Fund (DOLF) Terms of Reference (TOR)
 - v. Approval of SHFC's Competency Based System (CBS)
 - vi. Designation of authorized representatives to GCG's Integrated Corporate Reporting System (ICRS)
 - vii. Approval of Cost Ceilings for construction of 1,2,3,4 and 5 storey residential buildings with site development and indirect costs
 - viii. Approval of usufruct on land for HDH program
 - ix. Approval of the increase in the size of the CMP Assets Pool to be securitized as CMP-Asset Backed Securities (CMP-ABS) and its application to the HDH program *mutatis mutandi*
 - x. Approval of the levels of authority for project approvals
 - xi. Approval of policy reforms on the order of priority for substitution of member-beneficiaries and double availment of housing programs
 - xii. Approval of the cost of subsidy for capacity building program
 - xiii. Approval of cost sharing expenses for the cancellation of encumbrances payment by SHFC of documentary stamp tax and mode of release of purchase price for special project Jesse Robredo HOAI
 - xiv. Approval of the terms of rent-to-own scheme under the HDH program
 - xv. Grant of the six month moratorium on the housing loan amortization of CMP Member Beneficiaries adversely affected by Typhoon Lawin
 - xvi. Approval of the guidelines on the delegation of authority to Management for CMP Project approvals
 - xvii. Designation of authorized representatives to the Credit Information Corporation (CIC)
 - xviii. Approval of the policy on substitution and lease purchase agreement under the HDH program
 - xix. Approval of the 2017 Corporate Performance Scorecard to be negotiated with GCG
- b) To monitor Management's performance, the Board of Directors requires Management to present and report during its Board Meetings an up-to-date Accomplishment Report vis-à-vis the Annual Corporate target.
- c) The Board periodically evaluates and monitors the implementation of the guidelines and policies, including Management's strategic plans, operating budgets and overall performance;
- d) To assist the Board in the performance of its duties, and pursuant to the GCG's Codes on Corporate Governance, the Board maintains and actively conducts the following Committees:
- i. Executive Committee;
 - ii. Governance Committee (with a subcommittee on Compensation or Remuneration);