

ANNUAL CORPORATE GOVERNANCE REPORT 2023



Table of Contents

I. PHLPOST BOARD OF DIRECTORS	4
A. Composition	4
B. Biographical details	4
C. Trainings attended.....	9
II. BOARD RESPONSIBILITY	13
A. Review of Vision, Mission, and Strategy.....	13
B. Monitor/Oversee implementation of Corporate Strategy	13
C. Code of Conduct and Ethics	13
III. BOARD COMMITTEES	14
A. Executive Committee	14
B. Governance Committee	15
C. Audit Committee.....	16
D. Nomination and Remuneration Committee	17
E. Risk Management Committee	18
IV. MEETING SCHEDULE	19
A. Board Meeting (Scheduled and Actual).....	19
B. Committee Meetings (Scheduled and Actual).....	20
V. ATTENDANCE ON MEETINGS	20
A. Board Meetings	20
B. Committees	21
1. Executive Committee.....	21
2. Audit Committee	21
3. Governance Committee.....	21
4. Nomination and Remuneration Committee	22
5. Risk Management Committee	22
C. Summary	23
VI. ISSUANCE OF NOTICES, AGENDA AND MATERIALS	23
VII. THE CORPORATE SECRETARY	24

VIII. BOARD ORIENTATION PROGRAM	25
IX. COMMITTEE REPORTS	25
A. Audit Committee Report	25
B. Nomination and Remuneration Committee Report	26
C. Risk Management Committee Report	26
X. RISK MANAGEMENT	27
XI. INTERNAL AUDIT AND CONTROL	27
XII. BOARD ASSESSMENT	27
A. CY2023 Result	28

I. PHLPOST BOARD OF DIRECTORS

A. Composition of the Board of Directors:

Name	Position	Date appointed	Date assumed	Remarks
Vidal E. Querol	Acting Chairman			Elected by virtue of Board Resolution No. 2023-49 dated 11 May 2023
	Board Member	2021-Aug-10	2021-Aug-17	
Raul B. Bendigo	Chairman	2021-Feb-26	2021-Mar-14	Resigned effective 24 April 2023
	Board Member	2017-Jan-20	2017-Feb-2	
Norman N. Fulgencio	Postmaster General & CEO	2021-Feb-26	2021-Mar-14	Resigned effective 07 March 2023
	Chairman	2016-Nov-7	2016-Nov-17	
Luis D. Carlos	Acting Postmaster General & CEO	2023-Mar-28	2023-Apr-4	Appointed vice Norman N. Fulgencio
Ridgway M. Tanjili	Board Member	2016-Nov-7	2016-Nov-17	
Cristina E. Caringal	Board Member	2016-Nov-7	2016-Nov-17	
Liberty C. Avila	Board Member	2017-May-10	2017-Jun-8	
Pelagio S. Paguican	Board Member	2018-Jan-9	2018-Jan-16	Resigned effective 31 August 2023

B. Biographical details of the Members of the Board

Director's Name	Age	Education	Previous/Present Positions/Affiliations
Acting Chairman Vidal E. Querol	73	<ul style="list-style-type: none"> Master in Public Administration, 1998 	<ul style="list-style-type: none"> <i>Founding President, Outstanding Women in Law Enforcement and National Security</i>

		<ul style="list-style-type: none"> • Bachelor of Science, Philippine Military Academy, 1973 	<ul style="list-style-type: none"> • <i>Trustee</i>, Philippine Council for Foreign Relations • <i>Chairman & President</i>, Republic Defenders • <i>Technical & Inspection Team</i>, Confederation of ASEAN Senior Golfers Association • <i>VP External and Team Captain</i>, Philippine Federation of Amateur Senior Golfers Incorporated • <i>Director/Member</i>, Rotary Club Bagumbayan Manila • <i>Former Philippine Ambassador to Indonesia</i>, Department of Foreign Affairs • <i>Former Director</i>, Various PNP Headquarters and Offices • <i>Former Secretary of Directorial Staff</i>, PNP National Headquarters • <i>Former Chief of Staff</i>, PNP NCRPO • <i>Former Special Action Force</i>, PNP
<p>Chairman Raul B. Bendigo</p> <p><i>(Resigned effective 24 April 2023)</i></p>	72	<ul style="list-style-type: none"> • Bachelor of Laws (LLB), 1979 • AB Political Science, 1975 	<ul style="list-style-type: none"> • <i>President & General Manager</i>, Amlo Realty and Development Corporation • <i>Incorporator and Vice-President</i>, Las Terrazas Homeowners' Association • <i>Former Program Implementor and Consultant of Witness Protection Security and Benefit Programs</i> at DOJ Manila, Region XI, and Davao City • <i>Former City Prosecutor</i>, DOJ Region XI • <i>Former Law Professor</i>, Ateneo de Davao University, College of Law • <i>Former Member</i>, Prosecutors League, and Chief Prosecutors'

			<p>Association</p> <ul style="list-style-type: none"> • <i>Member, Aquila Legis Fraternity</i>
<p>Acting Postmaster General & CEO Luis D. Carlos</p>	59	<ul style="list-style-type: none"> • Diploma in Business Administration, Major in Marketing and Management, Philippine School of Business Administration, 1986 • General Engineering (2-year course), University of Santo Tomas, 1982 	<ul style="list-style-type: none"> • <i>Chairman of the Board of Trustees, Philippine Postal Corporation - Provident Fund Office</i> • <i>Treasurer, K2 Property and Management Ventures Inc.</i> • <i>Former Assistant Postmaster General for Marketing & Management Support Services, Philippine Postal Corporation</i> • <i>Former Assistant Postmaster General for Operations & Marketing, Philippine Postal Corporation</i> • <i>Former Assistant Postmaster General for Administration, Philippine Postal Corporation</i> • <i>Former Assistant Postmaster General for Marketing, Philippine Postal Corporation</i> • <i>Former Member of the Board of Directors, UCPB General Insurance Co., Inc.</i> • <i>Former Consultant, Philippine Amusement & Gaming Corporation</i> • <i>Former Member of the Board of Directors, Philippine Amusement & Gaming Corporation</i> • <i>Former Manager, Abacus Securities Corporation</i> • <i>Former Remisier, Abacus Securities Corporation</i> • <i>Former Senior Trader, Wolff & Company, Inc., Manila Stock Exchange</i>
<p>Postmaster General & CEO Norman N. Fulgencio</p>	53	<ul style="list-style-type: none"> • Bachelor of Science in Commerce Major in Management, 	<ul style="list-style-type: none"> • <i>Former Director, Sure Great International Logistics Limited</i> • <i>Former President & CEO of</i>

<p><i>(Resigned effective 07 March 2023)</i></p>		<p>1996</p>	<p><i>IRS Eastern Inc., NHJ Horizon, NDC Container Services, Inc., Oddcubes, Inc., Mstar Ship Agencies, Inc., Celadon Quadrant Services, Inc., and Container Bridge Philippines, Inc.</i></p> <ul style="list-style-type: none"> • <i>Former President, NDC Terminal Inc.</i> • <i>Former Equipment Control Manager, TMS Ship Agencies</i> • <i>Former Operations Officer, Conhaul Marine Inc.</i> • <i>Secretary General, PDP-Laban</i>
<p>Director Ridgway M. Tanjili</p>	<p>72</p>	<ul style="list-style-type: none"> • Career Executive Service Officer II • Master in Public Administration, 1994 • Bachelor of Laws, 1975 • AB Political Science, 1971 	<ul style="list-style-type: none"> • <i>Former Presiding Judge, RTC 15 Davao City</i> • <i>Former Regional Public Attorney, Public Attorney's Office</i> • <i>Former Supervising Citizens Attorney</i> • <i>Customs Legal Officer, Bureau of Customs</i> • <i>Former Law Instructor, Harvardian College of Law</i> • <i>Former Practicing Lawyer</i> • <i>Member, Guardian Brotherhood Inc., Davao United Muslims Professionals Association, and Signa Legis Fraternity</i>

<p>Director Cristina E. Caringal</p>	<p>63</p>	<ul style="list-style-type: none"> • Bachelor of Science in Commerce Major in Accounting, 1980 	<ul style="list-style-type: none"> • <i>Former Vice President, Sultan Kudarat Milling and Trading Inc.</i> • <i>Former Sales & Operations Senior Manager, Onestop Logistics Solutions Incorporated</i> • <i>Former LCL Group Manager, Lorenzo Shipping Corporation</i> • <i>Former Logistics Manager, Lorenzo Shipping Corporation</i> • <i>Former Credits & Collection Manager, Lorenzo Shipping Corporation</i> • <i>Former Accountant, El Grande Shipping Agency Corporation</i> • <i>Former Accounting Supervisor, El Grande Shipping Corporation</i> • <i>Deputy Head – Treasury Division, Premiere Financing Corporation</i>
<p>Director Liberty C. Avila</p>	<p>37</p>	<ul style="list-style-type: none"> • BSBA Major in Marketing Management, 2014 • BS Accountancy, 2008 	<ul style="list-style-type: none"> • <i>Proprietor, Avila Antiquities</i> • <i>Former Proprietor, Malaya Marketing</i>
<p>Director Pelagio S. Paguican</p> <p><i>(Resigned effective 31 August 2023)</i></p>	<p>68</p>	<ul style="list-style-type: none"> • Bachelor of Laws, 1979 • Bachelor of Arts Major In Political Science, 1975 	<ul style="list-style-type: none"> • <i>Former Board Member, Philippine Post Bank, Overseas Filipino Bank Center</i> • <i>Former Executive Judge, Regional Trial Court Davao City</i> • <i>Former Judge, RTC, Branch 12, Davao City and Branch, Lupon, Davao Oriental</i> • <i>Former Acting Presiding Judge, RTC, Branch 5, 6, 7 and 12 Branch 34</i> • <i>Former District Citizens Attorney, CLAD, (Now</i>

			PAO) Department of Justice <ul style="list-style-type: none"> • <i>Former Citizens Attorney, CLAD, Department of Justice Digos, Davao Del Sur</i> • <i>Former Legal Officer 1, National Pollution Control Commission, Davao City</i> • <i>Former Special Counsel, Philippine National Bank Davao city and Cotabato</i> • <i>Former Part-Time Law Professor, College of Law and College of Commerce</i> • <i>Former Practicing Lawyer, ABC Law Office, Davao City</i>
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i. Directorship in listed companies.

There are no PHLPost Directors who serve as directors in listed companies.

C. Trainings Attended

Director's Name	Training Title/Provider/Year Conducted
Acting Chairman Vidal E. Querol	<ul style="list-style-type: none"> • Corporate Governance Orientation Program/2019 • General Staff Course US Army/1990-1991 • Crisis Management and Hostage Negotiation Course US State Department/1989 • VIP Security and Dignitary Protection PSC Malacañang/1976
Chairman Raul B. Bendigo (Resigned)	<ul style="list-style-type: none"> • Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Workshop/AMLC/2019 • Gender Sensitivity Training for Executives/PHLPost/2019 • Corporate Governance Orientation Program for GOCC/ Institute of Corporate Directors (ICD)/2017 • Post-Expo 2018 in Hamburg, Germany/UPU/2018 • Witness Protection Program Seminars/DOJ and UNDP/2017 • Continuing Legal Education Seminars/ IBP,

	<p>DOJ, Chief Prosecutors Association/2014</p> <ul style="list-style-type: none"> • Prosecutors League Seminar/DOJ/2014 • Terrorism Investigation Course/ DOJ/2010
Acting Postmaster General Luis D. Carlos	<ul style="list-style-type: none"> • Finance for Directors/ Institute of Corporate Directors Inc./2023 • Fixed Income Securities/Philippine Stock Exchange/2002 • Practical Applications of Technical Analysis under the Philippine Scenario/ Philippine Stock Exchange/1999 • Market Works Trading Philippine Stock Exchange/1995 • Securities Representative Certification Review/ Securities & Exchange Commission/1989
Postmaster General Norman N. Fulgencio (Resigned)	<ul style="list-style-type: none"> • Corporate Governance Orientation Program for GOCC/ICD/2017 • Management Orientation on Integrated Management System Seminar/2010
Director Ridgway M. Tanjili	<ul style="list-style-type: none"> • Corporate Governance Orientation Program for GOCCs/ICD/2017 • Laws and Rules Relating to Money Laundering/Supreme Court of the Philippines and Philippine Judiciary Academy/2014 • Judicial Career Enhancement Program for Regional Court Judges/Supreme Court of the Philippines and Philippine Judiciary Academy/2012 • Land Valuation and Just Compensation/Supreme Court of the Philippines and Philippine Judiciary Academy/2011 • Special Rules of Court on Alternative Dispute Resolution/Supreme Court of the Philippines and Philippine Judiciary Academy/2011
Director Cristina E. Caringal	<ul style="list-style-type: none"> • Crafting your Own Roadmap: A Personal Governance Workshop/ICD/2021 • Distinguished Corporate Governance Speaker Series/ICD/2021 • Crisis-Ready Boards: How to Lead in Times of Turbulence/ICD/2020 • Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Training Workshop/PHLPost/2019 • Post Expo (Tokyo, Japan)/2019 • Gender Sensitivity Training for

	<p>Executives/PHLPost/2019</p> <ul style="list-style-type: none"> • Role of Internal Auditors in Risk Management and Governance/2019 • ISO 9001:2015 Quality Management System Requirement Training Course/2019 • Enhancing Audit Committee Effectiveness (Essentials)/2019 • How to Read Financial Statements for Board Directors & Decision Makers/2019 • Public Service Values Program/CSC/2018 • Parcel & POST EXPO in Hamburg, Germany/UPU/2018 • POST EXPO in Geneva, Switzerland/UPU/2017 • Strategy Execution Pathway/Institute of Corporate Directors/2017 • Strategy Design for Directors Program/ Institute of Corporate Directors/2017 • Corporate Governance Orientation Program for GOCCs/ICD/2017 • Asia Pacific Postal Union Business Forum in Bangkok, Thailand/APPU/2017 • Strategy Design for Directors Program/2017 • Introduction to Corporate Governance/2017 • Greening the Supply Chain/2016 • Dale Carnegie Leadership Training Course/2013 • Logistics Immersion Course/2012 • Account Development/2012 • Distribution and Transport Safety/2011 • Initiative for Enhanced Quality Performance/2011 • Introduction to Shipping/2010 • Leadership Training Course/2009 • APEC Intermodal Skills/2006 • Leadership and Management Development/2006 • Total Quality Management & Maintenance/2006 • Credit Evaluation & Scoring/2004 • Increase in Collection Efficiency (2000)
Director Liberty C. Avila	<ul style="list-style-type: none"> • Distinguished Corporate Governance Speaker Series-ICD Zimbabwe/ICD/2021 • Distinguished Corporate Governance Speaker Series-ICD Malaysia/ICD/2021 • Distinguished Corporate Governance Speaker Series-Singapore Institute of Corporate Directors/ICD/2021

	<ul style="list-style-type: none"> • Distinguished Corporate Governance Speaker Series: Tapping the Strategic Potential of Boards/ICD/2021 • Distinguished Corporate Governance Speaker Series: Board Behavioral Dynamics/ICD/2021 • Distinguished Corporate Governance Speaker Series: What It Really Means to Be a Director/ICD/2021 • Crafting your Own Roadmap: A Personal Governance Workshop/ICD/2021 • Future Ready Boards: A Deep Dive/ICD • The Urgency of Building Corporate Trust/2020 • Data Governance: Privacy and Security/Disini Law/2020 • Crisis-Ready Boards: How to Lead in Times of Turbulence/ICD/2020 • AMLC- Anti-Money Laundering/Countering the Financing of Terrosism/PHLPost/2019 • Enhancing Audit Committee Effectiveness, Philippines/2019 • How to Really Read Financial Statements/CGPB/2019 • Public Service Values Program: Pamunuan ng Lingkod Bayani/PHLPost/2019 • 7th Asian Pacific Postal Union Business Forum, Bangkok, Thailand/2018 • The 2nd Extraordinary Congress, Addis Ababa, Ethiopia/2018 • Asian Pacific Postal Union Executive Council Meeting, Da Nang, Vietnam/2018 • 6th Asian Pacific Postal Union Business Forum, Bangkok, Thailand/2017 • Corporate Governance Orientation Program for GOCCs, Philippines/ICD/2017 • CCI Exchange Student, USA/2014 • Digital Marketing/International Institute of Marketing Professional/2013
<p>Director Pelagio S. Paguican (Resigned)</p>	<ul style="list-style-type: none"> • Gender Sensitivity Training for Executives/PHLPost/2019 • Corporate Governance Orientation Program/ICD/2017 • Corporate Governance Orientation Program/ICD/2016 • Southeast Asia Regional Workshop of Judicial Training Institutions On Good Practices In Promoting Women Human Rights Complaint Justice Delivery/2014 • Multi-Sectoral Seminar-Workshop on Agrarian Justice/2006

	<ul style="list-style-type: none"> • Mid-Term Convention-Seminar of the Philippine Justice Association/2006 • Seventh Multi-Sectoral Seminar-Workshop on Juvenile and Domestic Relations Justice (Advanced Level) • Regional Judicial Career Enhancement Program (Level 4) for Judges, Clerk of Court and Branch Clerk of Court of the Regional Trial Courts/2006 • Convention and Seminar of the Philippine Judges Association/2003 to 2005 • IBP National Convention/2003 • 4th Tele-Video Conference on Psychological Incapacity and Capacity of the Child • 8th Judicial Career Enhancement Program (Level2) • Juvenile and Domestic Relations Justice for Single Sale Courts • Convention and Seminar of the Philippine Judges Association
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II. BOARD RESPONSIBILITY

A. Review of vision, mission, and strategy

The vision, mission and corporate strategy of the Philippine Postal Corporation are annually being reviewed by the Board of Directors.

In 2021, the Board reviewed the PHLPost's vision, mission and corporate strategy on 30 May 2022, during its 7th Special Board meeting.

B. Monitor/Oversee the implementation of corporate strategy

The PHLPost Board of Directors monitors and evaluates on a regular basis the implementation of corporate strategies and policies of PHLPost as one of its duties under Section 4.1.1.11 of the Manual on Corporate Governance.

The Management submitted quarterly monitoring reports on PHLPost's Performance Scorecard for CY 2023 to the Board of Directors, specifically on 04 July 2023 for the first quarter, 17 August 2023 for second quarter, and 14 November 2023 for the 3rd quarter.

C. Code of Ethics/Conduct

The Code of Conduct for officials and employees of the PHLPost was adopted on 16 August 2016 through Board Resolution No. 2016-100. It covers all officers and employees holding any office or work in PHLPost regardless of rank, position and employment status.

PHLPost monitors compliance and ensures continued implementation of the provisions of the above Code of Conduct by inclusion of the topic in the conduct of orientation for new hires and through various issuances, such as:

1. Circular on Uniform Policy (Post Office Circular No. 21-81);
2. Postings of No Gift Policy in every office; among others.

In addition, all Directors and Officers of PHLPost are required to comply with the provisions stipulated under Section 5 of the Manual on Corporate Governance which discloses Code of Conduct of Directors and Officers.

The Board Members were given a copy of the above-mentioned codes at the start of their term.

III. BOARD COMMITTEES

In accordance with Section 4.1.7 of the Manual on Corporate Governance, the Board of Directors constituted the following Committees:

A. Executive Committee

1. Composition:

Chairman	:	Acting Chairman Vidal E. Querol ¹
Vice Chairman	:	Acting Postmaster General Luis D. Carlos ²
Members	:	Director Ridgway M. Tanjili
	:	Director Cristina E. Caringal
	:	Director Liberty C. Avila
	:	Director Pelagio S. Paguican ³

2. Functions and Responsibilities:

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 Charter, except with respect to (GCG MC 2012-07, Sec. 16.1):

- o Approval of any action for which shareholders' approval is also required (GCG MC 2012-07, Sec. 16.1(a));

¹ Elected as Acting Chairman of the Board on 11 May 2023 through Board Resolution No. 2023-49. As provided for under Section 4.1.7.1.1 of the PHLPost Manual on Corporate Governance, the Chairman of the Board shall be the Chairman of the Executive Committee

² Appointed by virtue of Board Resolution No. 2023-32 dated 04 April 2023

³ Resigned effective 31 August 2023

- Filling of vacancies on the Board in the Executive Committee (GCG MC 2012-07, Sec. 16.1(b));
- Amendment or repeal of By-Laws or the adoption of new By-Laws (GCG MC 2012-07, Sec. 16.1(c));
- Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal (GCG MC 2012-07, Sec. 16.1(d));
- Distribution of cash dividends (GCG MC 2012-07, Sec. 16.1(e)); and
- Exercise of powers delegated by the Board exclusively to other committees (GCG MC 2012-07, Sec. 16.1(f)).

B. Governance Committee

1. Composition

Chairman	:	Acting Chairman Vidal E. Querol ⁴
Vice Chairman	:	Acting Postmaster General Luis D. Carlos ⁵
Members	:	Director Ridgway M. Tanjili
	:	Director Cristina E. Caringal
	:	Director Liberty C. Avila
	:	Director Pelagio S. Paguican ⁶

2. Functions and Responsibilities:

- Oversee the periodic performance evaluation of the Board and its committees and Management; and shall also conduct an annual self-evaluation of their performance;
- 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;
- 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

⁴ Elected as Acting Chairman of the Board on 11 May 2023 through Board Resolution No. 2023-49. As provided for under Section 4.1.7.3.1 of the PHLPost Manual on Corporate Governance, the Chairman of the Board shall be the Chairman of the Governance Committee

⁵ Appointed by virtue of Board Resolution No. 2023-32 dated 04 April 2023

⁶ Resigned effective 31 August 2023

- Recommend the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder's value.

C. Audit Committee

1. Composition

Chairperson	:	Director Cristina E. Caringal
Vice Chairperson	:	Director Liberty C. Avila
Members	:	Acting Chairman Vidal E. Querol
	:	Director Ridgway M. Tanjili
	:	Director Pelagio S. Paguican ⁷

2. Functions and Responsibilities:

- Oversee, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, engage and provide oversight of the Corporation's internal and external auditors, and coordinate with the Commission on Audit (COA);
- Review and approve audit scope and frequency, and 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;
- Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. (SEC Manual on Corporate Governance – Model Corporation)
- Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:
 - a. A definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standards (IAS) compliant.
 - b. An accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task. (SEC Manual on Corporate Governance – Model Corporation)

⁷ Resigned effective 31 August 2023

- Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies; o Ensure that internal auditors have free and full access to all the Corporation'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;
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; and (SEC Manual on Corporate Governance – Model Corporation)
- Determine the Organizational Structure and Staffing Pattern of the Internal Audit Office; and screen and evaluate the qualifications of all internal audit personnel prior to their hiring/appointment, promotion, or transfer.
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation's through a policies and step-by-step procedures handbook that will be used by the entire organization.

D. Nomination and Remuneration Committee

1. Composition:

Chairman	:	Director Ridgway M. Tanjili
Vice Chairperson	:	Acting Chairman Vidal E. Querol
Members	:	Acting Postmaster General Luis D. Carlos ⁸
	:	Director Cristina E. Caringal
	:	Director Pelagio S. Paguican ⁹
	:	Director Liberty C. Avila

2. Functions and Responsibilities:

- Install and maintain 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; (GCG MC 2012-07, Sec 16.4(a))
- Review and evaluate the qualifications of all persons nominated to positions in the Corporation which require appointment by the Board; (GCG MC 2012-07, Sec 16.4(b))

⁸ Appointed by virtue of Board Resolution No. 2023-32 dated 04 April 2023

⁹ Resigned effective 31 August 2023

- Recommend to the GCG nominees for the shortlist in line with the Corporation's and its subsidiaries' Board composition and succession plan; (GCG MC 2012-07, Sec 16.4(c))
- Develop recommendations to the GCG for updating the Compensation and Position Classification Standards (CPCS) and ensuring that the same continues to be consistent with the Corporation's culture, strategy, control environment, as well as the pertinent laws, rules and regulations; (GCG MC 2012-07, Sec 16.4(d))
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once appointed/hired; (SEC Manual on Corporate Governance – Model Corporation)
- Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and (SEC Manual on Corporate Governance – Model Corporation)
- Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above. (SEC Manual on Corporate Governance – Model Corporation)

E. Risk Management Committee

1. Composition

Chairman	:	Director Pelagio Paguican ¹⁰
Vice Chairperson	:	Acting Chairman Vidal E. Querol
Members	:	Acting Postmaster General Luis D. Carlos ¹¹
	:	Director Cristina E. Caringal
	:	Director Ridgway M. Tanjili
	:	Director Liberty C. Avila

2. Functions and Responsibilities:

- Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the Corporation, and crisis management, which shall include receiving from Senior

¹⁰ Resigned effective 31 August 2023

¹¹ Appointed by virtue of Board Resolution No. 2023-32 dated 04 April 2023

Management periodic information on risk exposures and risk management activities; (GCG MC 2012-07, Sec 16.2.5(a))

- Developing the Risk Management Policy of the Corporation, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the Corporation, especially at the Board and Management level; (GCG MC 2012-07, Sec 16.2.5(b)) and
- Providing quarterly reporting and updating the Board on key risk management issues as ad hoc reporting and evaluation on investment proposals. (GCG MC 2012-07, Sec 16.2.5(c))
- Functional realignment of the Inspectorate department from the Office of the Postmaster General to the Risk Management Committee of the Board of Directors per the GCG letter dated 7 April 2017 and Board Resolution No. 2017-106 dated 8 June 2017.

IV. MEETING SCHEDULE AND MEETINGS CONDUCTED

On 10 January 2023, the Board of Directors adopted the calendar of meetings of the Board of Directors and its Committees for CY 2023 without prejudice to modifications made within the year to address changing circumstances, through Board Resolution No. 2023-03, as follows:

A. Board Meeting

Month	Scheduled Meeting Dates		Actual Meetings	
	Regular	Special	Regular	Special
January	10	17	10	16, 24, 31
February	07	21	06	17, 21, 28
March	07	21	07	20
April	04	18	04	18
May	02	16	11	26, 30
June	06	20	06	20
July	04	18	04	18
August	01	15	03	17
September	05	19	12	
October	03	17	13	24
November	07	21	14	29
December	05	19	11	18

- ❖ Only 9 out of 28 actual meetings were conducted based on schedule.

The Board subscribes to flexibility in their schedules when there are emerging circumstances that require board action/approval.

B. Committee Meeting

1. Schedule of Committee Meeting

Month	Dates			
	Audit, and Nomination & Remuneration	Risk	Governance	Executive
January	10	17	17	
February	07	21		21
March	07	21	21	
April	04	18		18
May	02	16	16	
June	06	20		20
July	04	18	18	
August	01	15		15
September	05	19	19	
October	03	17		17
November	07	21	21	
December	05	19		19

2. Actual Committee Meetings Conducted

Committee	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Meetings Conducted
Executive													0
Audit	10, 24		07	04	11	06	18			13	29		9
Governance	24	06	20	04			04	03, 17	12	24	29		10
N&R	10	06	07, 20	18		20	18	03, 17		24	14	11	12
Risk Mgt.		21		18									2

V. ATTENDANCE

A. Board Meeting

- Total of scheduled meetings : 24
- Actual meetings held : 28

Name of Board Member	Total of Actual Meeting Supposed	Attended	% of Attendance
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	to Attend		
Chairman Raul B. Bendigo	10	10	100%
Acting Chairman Vidal E. Querol	28	27	96.4%
Vice Chairman/Postmaster General Norman N. Fulgencio	8	3	37.5%
Acting Postmaster General Luis D. Carlos	20	20	100%
Director Ridgway M. Tanjili	28	28	100%
Director Cristina E. Caringal	28	28	100%
Director Liberty C. Avila	28	27	96.4%
Director Pelagio S. Paguican	21	18	85.7%

B. Committee Meetings

1. Executive Committee

- Total of scheduled meeting : 6
- Actual meetings held : 0

2. Audit Committee

- Total of scheduled meeting : 12
- Actual meetings held : 9

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairperson Cristina E. Caringal	9	9	100%
Vice-Chairperson Liberty C. Avila	9	9	100%
Board Chairman Raul B. Bendigo	3	3	100%
Acting Chairman Vidal E. Querol	9	9	100%
Director Ridgway M. Tanjili	9	9	100%
Director Pelagio S. Paguican	7	7	100%

3. Governance Committee

- Total of scheduled meeting : 12
- Actual meetings held : 10

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Raul B. Bendigo	4	4	100%
Director Vidal E. Querol	10	10	100%
Vice Chairman/Postmaster General Norman N. Fulgencio	2	1	50%
Acting Postmaster General Luis D. Carlos	6	6	100%
Director Ridgway M. Tanjili	10	9	100%
Director Cristina E. Caringal	10	10	100%
Director Liberty C. Avila	10	10	100%
Director Pelagio S. Paguican	7	5	71.4%

4. Nomination and Remuneration Committee

- Total of scheduled meeting : 12
- Actual meetings held : 12

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Ridgway M. Tanjili	12	12	100%
Vice Chairman Vidal E. Querol	12	12	100%
Board Chairman Raul B. Bendigo	5	5	100%
Postmaster General Norman N. Fulgencio	2	1	50%
Acting Postmaster General Luis D. Carlos	8	8	100%
Director Cristina E. Caringal	12	12	100%
Director Liberty C. Avila	12	12	100%
Director Pelagio S. Paguican	9	7	77.8%

5. Risk Management Committee

- Total of scheduled meeting : 12
- Actual meetings held : 2

Name of Committee Member	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Chairman Pelagio S. Paguican	2	2	100%
Vice Chairman Vidal E. Querol	2	2	100%
Board Chairman Raul B. Bendigo	1	1	100%
Postmaster General Norman N. Fulgencio	1	0	0%
Acting Postmaster General Luis D. Carlos	1	1	100%
Director Ridgway M. Tanjili	2	2	100%
Director Cristina E. Caringal	2	2	100%
Director Liberty C. Avila	2	2	100%

C. Total Number of All the Meetings for CY 2023 : 61 meetings

Name of Director	Total of Actual Meeting Supposed to Attend	Attended	% of Attendance
Acting Chairman Vidal E. Querol	61	60	98.36%
Chairman Raul B. Bendigo	23	23	100%
Postmaster General Norman N. Fulgencio	13	5	38.46%
Acting Postmaster General Luis D. Carlos	39	38	97.44%
Director Ridgway M. Tanjili	61	60	98.36%
Director Cristina E. Caringal	61	61	100%
Director Liberty C. Avila	61	60	98.36%
Director Pelagio S. Paguican	46	39	84.78%

VI. ISSUANCE OF NOTICES, AGENDA, AND MATERIALS

The Office of the Corporate Secretary ensures that the Board Members are furnished with the Notice of Meeting, Agenda, and Materials for the meetings three (3) days before the scheduled meeting. The Management shall submit to the Office of the Corporate Secretary all papers or documents that will be included in the agenda not later than seven (7) days before the scheduled

meeting pursuant to Board Resolution No. 2013-127-A dated 19 December 2013.

Further, in accordance with Board Resolution No. 2015-23 dated 12 February 2015, the Office of the Corporate Secretary furnishes the Board Members through their Technical Assistants the documents received by the Office that requires approval of the Members of the Board immediately upon receipt and after reviewing the same.

VII. THE CORPORATE SECRETARY

Board Secretary VI Gilbert B. Javier was designated by the Board of Directors as Acting Corporate Secretary of the Philippine Postal Corporation on 17 August 2023¹². Below are the highlights of career and education of Mr. Javier:

Education	Career
<ul style="list-style-type: none"> • Bachelor of Laws (LLB), 2005, Philippine Christian University • Bachelor of Science in Tourism, 1996, University of Santo Tomas 	<ul style="list-style-type: none"> • <i>Acting Area Director</i>, Mega Manila Area, PHLPPost (15 January 2021 to • <i>Acting Area Director</i>, South Luzon Area, PHLPPost (09 January 2020 to 15 January 2021) • <i>Acting Manager</i>, Inspectorate Department in concurrent capacity as Acting Head Executive Assistant, PHLPPost (18 September 2019 to 31 December 2019) • <i>Acting Manager</i>, Express Mail Exchange Department in concurrent capacity as Acting Head Executive Assistant, (07 January 2019 to 31 December 2019) • <i>Acting Head Executive Assistant</i>, Office of the Postmaster General, PHLPPost (04 January 2016 to 08 January 2020) • <i>Compliance Officer</i>, Office of the Board of Directors (28 May 2014 to 08 December 2016) • <i>Board Secretary VI</i>, Office of the Board of Directors, PHLPPost (01 February 2013 to 03 January 2016) • <i>Assistant Corporate Secretary</i>, Office of the Board of Directors, PHLPPost (01 January 2009 to 30 January 2013) • <i>Secretary</i>, Provident Fund Office, PHLPPost (24 September 2010 to 2016) • <i>Executive Assistant V</i>, Office of the Board of Directors, PHLPPost (01 July 2007 to 31 December 2008) • <i>Legal Researcher III</i>, Office of the Board of

¹² Board Resolution No. 2023-98 dated 17 August 2023

	<p>Directors, PHLPost (01 January 2000 to 30 June 2007)</p> <ul style="list-style-type: none"> • <i>Customer Service Agent, Philippine Airport and Ground Agent (01 April 1999 to 01 September 1991)</i>
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VIII. BOARD ORIENTATION PROGRAM

The Philippine Postal Corporation has an Orientation Program for the new appointed Board of Directors.

PHLPost practice the following procedure:

- The Corporate Secretary welcomes the newly appointed Board of Directors upon his/her arrival.
- The Corporate Secretary introduces the staff of the incumbent Board Member/s, and the Office of the Corporate Secretary to the new Board Member.
- The Corporate Secretary provides the new Director with the Welcome Kit which contains documents such as, (i) brief background of the Corporation, (ii) the organizational structure, (iii) directory of PHLPost's officials and departments under their jurisdiction, (iv) schedule of meetings, (v) copies of Postal Service Act of 1992 (RA 7354), By-laws of PHLPost, Manual on Corporate Governance, relevant issuances of GCG (i.e. GOCC Governance Act of 2011, Fit and Proper Rule, etc.), Rationalization Plan of PHLPost, 2020 Disciplinary Rules and Procedures, and Code of Conduct of Officers and Employees of PHLPost.
- The Corporate Secretary discusses the contents of the Kit.
- A session is held for the new Board member to meet all the PHLPost Officials and key employees.

IX. COMMITTEE REPORTS: AUDIT, RISK MANAGEMENT, AND NOMINATION AND REMUNERATION

A. Audit Committee Report

The Audit Committee, in the exercise of its oversight function, held nine (9) meetings for the year 2023, where various matters involving financial, operations, IT systems, audit activities, and the like were discussed.

The Audit Committee monitored updates on the development of the ERP system of the Corporation, and the actions taken/compliance of

Management with respect to the findings and recommendations of the Commission on Audit embodied in the COA report on a regular basis.

The Committee likewise reviewed and monitored the performance of the Internal Audit Department (IAD), approved its plans and programs for CY2023, discussed and approved the hiring of additional personnel therein and confirmed the designation of the Acting Manager of the said department.

With the regular reporting of the Internal Audit Department of the results of the audit conducted in various offices, projects, systems, financial, among others, the Committee was able to assess the adequacy of internal controls in place. In CY 2022, the systems, and measures of the Corporation in place are adequate since the findings on various audit conducted were mitigated compared to previous years.

B. Nomination and Remuneration Committee Report

The Nomination and Remuneration (N&R) Committee held six twelve (12) meetings for the year 2023. The following matters are among the items discussed, deliberated and acted upon during the Committee meetings, among others, to wit:

1. Re-undertaking of PHLPost 2012 Rationalization Program and other HR matters;
2. Guidelines and implementing rules and regulations on the rectification of the placement of employees who were not placed to comparable positions or to positions next lower in rank during the 2013 implementation of the Rationalization Plan of PHLPost;
3. Designations of Acting Assistant Postmasters General;
4. Appointment of Assistant Postmaster General for Administration and Finance;
5. CPCS concerns; and
6. Review of various actions the Management regarding the reassignment of employees.

C. Risk Management Committee Report

The Risk Management Committee held two (2) meetings for the year 2023. It performed oversight risk management functions specifically in the areas relating to operations, legal, reputational, and other risk of the corporation. It monitors the revision of the Anti-Money Laundering Policies and Operating Manual which eventually approved and adopted by the Board of Directors through its Resolution No. 2023-79 dated 18 July 2023. The designated Risk Management Officer provided the Risk Management Committee with updates on risk exposures and risk management activities of the Corporation.

Further, the Committee monitored the engagement of a consultant for the formulation of the Enterprise-Wide Risk Management Manual/Disaster Risk Management program of the Corporation, and reviewed various

measures, policies and manuals to ensure the Corporation's compliance with the existing laws, rules, and regulations. It likewise noted and recommended necessary actions to be taken with respect to the investigation reports provided by the Inspectorate Department.

X. RISK MANAGEMENT

The Risk Management Framework of the Corporation under Board Resolution No. 2016-93 dated 28 July 2016 identified the various risks of the Corporation as well as the strategies in place to manage said risks. The copy of the Risk Management Framework is posted in PHLPost's website.

In addition to the strategies identified in the above framework, the Board of Directors, through the Risk Management Committee, regularly monitored the risk exposures and risk management activities of the Corporation.

Further, the Board-level Risk Management Committee initiated the formulation of the Enterprise-Wide Risk Management Manual/Disaster Risk Management program of the Corporation to update the risk management initiatives of the corporation.

XI. THE INTERNAL AUDIT AND CONTROL

The Philippine Postal Corporation has a separate internal audit function performed by the Internal Audit Department pursuant to Section 4.1.14.1 of the Manual on Corporate Governance.

The Internal Audit Department directly reports to the Audit Committee and administratively to the Postmaster General and CEO.

As provided in the Internal Audit Charter of the Corporation which the Board approved through Board Resolution No. 2017-91, the Board, through the Audit Committee approves the appointment and removal of the Head of Internal Audit as well as the selection, promotion, and removal of Internal Audit personnel.

XII. BOARD PERFORMANCE ASSESSMENT

In line with the principles of good governance and in compliance with the Manual on Corporate Governance, the Board conducts annual performance assessment to monitor the performance of the Board and top management on its roles.

The Board of Directors adopted the Board Performance Assessment Policy and Procedures of the Philippine Postal Corporation through Board Resolution No. 2020-43 which discusses the processes and criteria in conducting the Board assessment.

The Board of Directors conducted Board Performance Assessment for CY 2023 on the third week of March 2024.

A. Result of the Board Performance Assessment for CY 2023

The total tally of 2023 Board Performance Appraisal are as follows:

Area	Excellent %	Very Good %	Good %	Satisfactory %	Needs Improvement %
Board	43.75	28.13	26.56	1.56	0
Committee	66.67	8.33	25	0	0
Individual Director	68.75	6.25	25	0	0
Board and Management	46.43	35.71	14.29	3.57	0