

**CITEM BOARD COMMITTEES**  
Approved 17 January 2020

	<p><b>MANDATORY CITEM BOARD COMMITTEES AND COMPOSITION:</b></p> <p>a. Executive Committee b. Audit Committee c. Governance Committee d. Nomination and Remuneration Committee e. Risk Management Committee</p>	<p><b>APPROVED COMBINED COMMITTEES</b></p> <p>a. Executive Committee b. Audit and Risk Management Committee c. Governance and Nomination and Remuneration Committee</p>	
	<b>Executive</b>	<b>Audit and Risk Management</b>	<b>Governance and Nomination and Remuneration Committee</b>
Frequency of regular meetings required	<b>4x / year</b>		
Frequency of meetings required	-	At least 4x a year	At least 2x a year
Member Qualification/s		At least one member of the Audit Committee has an audit or finance background  At least one member of the Risk Committee has a finance or investments background	
Required Composition	Not less than 3	At least 3 Whose chairman should have audit, accounting or finance background	At least 3
<p>Functions</p> <p>Memo circular 2012-07 CITEM Manual of Corporate Governance</p>	<p>The Board shall create an Executive Committee composed of not less than five (5) officers of CITEM, including the Executive Director of CITEM.</p> <p>The Executive Committee, in accordance with the authority granted by the Board, or in the absence of the Board, shall act by a vote of at least four (4) 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. except with respect to (a) approval of any action for which stakeholder's approval is also required; (b) filling of vacancies in the Executive Committee; (c) the amendment or repeal of CITEM policies, By-Laws or</p>	<p>There shall be an audit Committee composed of three (3) members. A Board member, if available, shall chair the Audit Committee. Each member shall have an adequate understanding of accounting and auditing principles in general and of CITEM's financial management systems and environment in particular.</p> <p>The Audit Committee is expected, through the provision of checks and balances, to bring positive results in supervising and supporting the management of CITEM. It shall have the following particular duties and responsibilities:</p> <p>1. Check all the financial reports against its</p>	<p>The Governance Committee shall assist the CITEM Board of Governors in fulfilling its corporate governance responsibilities. The Committee shall be composed of at least three (3) members of the Governing Board. The Governance Committee shall be responsible for the following:</p> <p>1.It shall oversee the periodic performance evaluation of the Board and its Committees and Executive Management; and shall also conduct an annual self-evaluation of its performance.</p> <p>2.Decide whether or not a Governor is able to and</p>

<p>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 repeatable; (e) the disposition CITEM funds;</p> <p>The attendance of at least four (4) members of the Executive Committee shall constitute a quorum. The Executive Committee shall fix its own rules of procedure. 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, broaden or redefine the powers of the Executive Committee.</p> <p>All actions 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.</p>	<p>compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements.</p> <ol style="list-style-type: none"> <li>2. Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of CITEM, and crisis management. These functions shall include receiving from senior management periodic information on risk exposures and risk management activities.</li> <li>3. Be responsible for setting up an internal audit department and consider the appointment of a Chief Audit Executive; establish and identify the reporting line of the Chief Audit Executive so that the reporting levels allow the internal audit activity to fulfil its responsibilities.</li> <li>4. Ensure that internal auditors have free and full access to all CITEM'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> <li>5. Power of appointment and removal of designated internal auditor/s in the agency.</li> <li>6. Oversee CITEM's internal control system and coordinate with the Commission on Audit.</li> <li>7. Elevate to international standards the accounting and auditing processes, practices and methodologies.</li> </ol>	<p>has been adequately carrying out his/her duties as Governor.</p> <ol style="list-style-type: none"> <li>3. Make recommendations to the Board of Governors regarding the continuing education of Governors, assignment to Board committees, succession plan for the Board Members and senior officers, and their remuneration commensurate with corporate and individual performance.</li> <li>4. Decide the manner by which the Board's performance may be evaluated and propose an objective performance criterion approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholders value.</li> </ol> <p>The Nomination and Remuneration Committee shall be consisting of at least three (3) members, and shall be responsible for the following:</p> <ol style="list-style-type: none"> <li>1. 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, and</li> <li>2. Review and evaluate the qualifications of all persons nominated to positions in the organization which require appointment by the CITEM Board.</li> <li>3. Recommend to the GCG nominees for the shortlist in line with CITEM's Board Composition and succession plan;</li> </ol>	
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BOARD COMMITTEE COMPOSITION	Delegated to the CITEM ExCom with the Executive Director as the Chairman	BSP LBP CITEM	NFA CITEM DTI
CITEM POINT PERSONS AND TWG	ExCOM CORPLAN	INTERNAL AUDIT DIVISION, FINANCE BUDGET	INTERNAL AUDIT DIVISION CORPLAN HUMAN RESOURCE DIVISION
CITEM BOARD AND BOARD COMMITTEE APPRAISAL SYSTEM	<ol style="list-style-type: none"> <li>1. An Annual Performance Appraisal of the Board and Board Committees should be held using a systematic evaluation process.</li> <li>2. The Appraisal system is also developed to complement the existing Directors Performance Review (DPR) employed by the GCG.</li> <li>3. The Appraisal system shall be conducted annually by the Board Committees, using the following 4 criteria—FINANCIAL, GOVERNANCE, PERFORMANCE, OPERATIONS AND MANAGEMENT.</li> </ol>		