



**CITEM BOARD RESOLUTION NO. BM 2015-03-06,
A RESOLUTION ADOPTING THE CITEM GOVERNING BOARD FORMAL CHARTER OF
EXPECTATIONS**

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the CITEM Board assumes a position of trust and confidence and as such, he must act in the best interest of CITEM. His action must be characterized by transparency, accountability, fairness and responsibility and he must exercise leadership, prudence and integrity in directing CITEM towards sustained progress over the long term. In this regard, the duties and responsibilities of a Board member include the following:

- a. Conduct fair business transactions with CITEM ensuring that personal interest does not compromise Board decisions. The basic principle to be observed is that a Board member shall not use his position to make profit or to acquire benefit or advantage for himself or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest arises on the part of Board members, it must be fully disclosed and the concerned director should not participate in the decision-making.
- b. Devote time and attention necessary to the proper discharge of his duties and responsibilities. A Board member should devote sufficient time to familiarize himself with CITEM's business and should be constantly aware of CITEM's condition and be knowledgeable enough to contribute meaningfully to the Board's work. He should attend and actively participate in Board meetings, request and review meeting materials, ask questions, and request explanations;
- c. Act judiciously. Before deciding on any matter brought before the Board, a Board member should thoroughly evaluate the issues, ask questions and seek clarifications when necessary.
- d. Exercise independent judgment. A Board Member should view each problem/situation objectively. When a disagreement with other Board members occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollary thereto, he should support plans and ideas that he thinks are beneficial to CITEM;
- e. Gain a working knowledge of the statutory and regulatory requirements affecting CITEM. A Board member should also keep himself informed of industry developments and business trends in order to safeguard CITEM's competitiveness;
- f. Observe confidentiality. A Board member should observe the confidentiality of non-public information acquired by reason of his position as Director. He should not disclose any information to any other person without the authority of the Board; and
- g. Ensure the presence and adequacy of internal control mechanism for the Board's oversight responsibility including, but shall not be limited to: (i) ensuring the presence of

organizational and procedural controls, supported by an effective management information system and risk management reporting system; (ii) reviewing conflict of interest situations and providing appropriate remedial measures for the same; (iii) reviewing proposed key executive appointments; (iv) ensuring the selection, appointment and retention of qualified and competent management; and (v) reviewing CITEM's personnel and human resources policies, compensation plan and the management succession plan.

UNANIMOUSLY APPROVED. 30 MARCH, 2015.

APPROVED AND CONFIRMED:

SECRETARY GREGORY L. DOMINGO
Chairman


UNDERSECRETARY PONCIANO C. MANALO, JR.
Alternate Chairman

MS. MARGIE A. JORILLO
Member, Government Service Insurance System


DIR. MA. MERCEDES G. YACAPIN
Member, National Food Authority


MS. LEILA C. MARTIN
Member, Land Bank of the Philippines


MS. WILHELMINA C. MAÑALAC
Member, Bangko Sentral ng Pilipinas


MS. ROSARIO VIRGINIA C. GAETOS
Appointive Member