



CERTIFICATION

This is to certify that the NEA Board of Administrators, in its Meeting held on June 10, 2016, passed the following resolution, subject to confirmation in its next regular meeting:

RESOLUTION NO. 95

WHEREAS, the Board Governance Nomination and Remuneration Committee (BGNRC) in its Memorandum to the Board of Administrators on May 27, 2016 is recommending for the approval of the Policy on Board Governance, hereto attached as ANNEX "A";

WHEREAS, Mr. Nollie B. Alamillo, Department Manager of Institutional Development Department (IDD) and Acting Corporate Board Secretary, presented the item, as follows:

The Governance Commission for Government Owned and Controlled Corporation (GCG) is implementing the Corporate Governance Scorecard (CGS) for GOCCs. According to GCG Memorandum Circular No. 2015-07 the CGS is a quantitatively-driven evaluation tool extracted from existing and globally accepted standards and practices. The CGS in the form of questionnaire serves as an instrument to assess the Corporate Governance performance of GOCCs. The CGS assessment of the GCG is based on the disclosures in the GOCC website.

There are existing rules and practices on corporate governance which are being observed by the NEA Board of Administrators, but have to be approved as a policy and published in the NEA

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website to be compliant with the CGS and these are the following:

- (1) The Board shall review during the first quarter of the year, the vision and mission/strategy of NEA in the last financial year;
- (2) The Board shall monitor/oversee the implementation of the corporate strategy;
- (3) Board meetings shall be scheduled at the beginning of the year;
- (4) The Board shall meet at least once during the year without the Administrator present;
- (5) Agenda and materials for board meeting shall be provided to the Board at least 5 working days in advance of the board meeting;
- (6) Newly appointed members of the Board shall be given orientation about the corporation;
- (7) Members of the Board shall be included in the annual professional education programs;
- (8) Members of the Board shall have at least one training for the calendar year;
- (9) The Board shall conduct an annual performance assessment of the Board and Board Committees;
- (10) The NEA Annual Report shall disclose that the Board has conducted a review of the Company's materials controls



(including operational, financial and compliance controls) and risk management systems. The disclosure shall be signed by the Member of the Board who is the Chairman of the Board Credit and Risk Management Committee;

- (11) The NEA Annual Report shall contain a Statement from the Board or Audit Committee commenting on the adequacy of the GOCCs internal control/risk management systems. The Statement shall be signed by the Member of the Board who is the Chairman of the Board Audit Committee; and,
- (12) The NEA Annual Report shall contain Statement from the Board or Board Governance Nomination and Remuneration Committee confirming the NEA's full compliance with the Manual of Corporate Governance. The Statement shall be signed by the Member of the Board who is the Chairman of the Board Governance Nomination and Remuneration Committee.

WHEREAS, the foregoing shall form part of the NEA Manual of Corporate Governance approved by the Board on October 28, 2014 and by the GCG on December 3, 2014.

WHEREAS, after deliberation, the Board approved the recommendation;



NOW, THEREFORE, BE IT RESOLVED, AS IT IS
HEREBY RESOLVED, based on the foregoing and
pursuant to the authority of the Board under Presidential
Decree No. 269 as amended by Republic Act No. 10531, to
approve, as it is hereby approved, the Policy on Board
Governance, mentioned as ANNEX "A" hereof.

Issued this 21st day of July 2016, at Quezon City, Philippines.



NOLLIE B. ALAMILLO
Acting Corporate Board Secretary