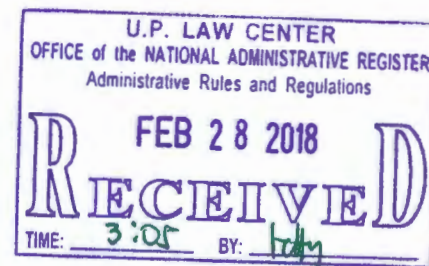




20 February 2018

MEMORANDUM No. 2018-012



TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : POLICY GUIDELINES ON GRANTING OF INCENTIVES TO OUTGOING MEMBERS OF THE BOARD OF DIRECTORS

I. Rationale

The Board of Directors is primarily responsible in ensuring the economic viability of the Electric Cooperative (EC) through issuance and development of policies and programs including practice of good governance towards realizing ECs' vision and mission. The members of the Board of Directors play a vital role in ECs' achievement of operational efficiency and in complying with the financial, institutional and technical standards set by NEA to become globally competitive.

Members of the Board being an elected official of the EC is not allowed under P.D. 269, as amended, to receive salaries for their services to the EC except per diems for attendance in legally convened board meetings, reimbursement of actual expenses and representation allowance.

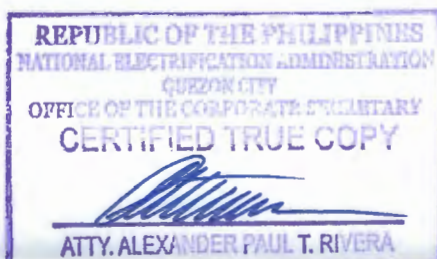
Generally, an elected member of the board serves for one (1) term with a tenure of three (3) years and entitled to two (2) re-elections or a total of three (3) terms or nine (9) years. Upon expiration of the term, the member of the board are not entitled to separation pay unlike ordinary officials or employees of the EC.

In recognition of the significant role and services rendered by the outgoing member of the board directors of an excellently performing EC, a token shall be given by the EC.

II. Mechanics of Implementation

- 1) Only ECs categorized as AAA, AA and A shall give token to outgoing members of the board of directors;
- 2) The amount of token shall be computed as follows:

Per Diem plus Representation Allowance multiplied by the number of years as elected Director but not to exceed nine (9) years when the EC is categorized as AAA, AA and A.



3) No token shall be granted when an EC is under the other lower categories.

III. Responsibility and Accountability

1. The grant of token is subject to EC's availability of funds and shall be incorporated in the Cash Operating Budget for the year.
2. The EC's Finance Manager and Internal Auditor shall be responsible for monitoring the compliance to this Guidelines.
3. The Board and General Manager shall likewise be accountable for its proper implementation. They shall be held liable for the grant of any token over and above the amount provided under this guidelines.

IV. Amendatory Clause

This supersedes NEA Institutional Advisory No. 02 dated July 27, 2007.

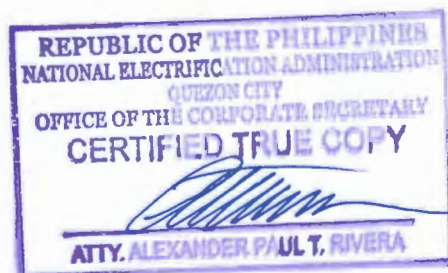
V. Effectivity

This policy shall take effect immediately upon filing with the University of the Philippines (UP) Law Center pursuant to the Presidential Memorandum Circular No. 11, dated October 9, 1992.


EDGARDO R. MASONGSONG
Administrator



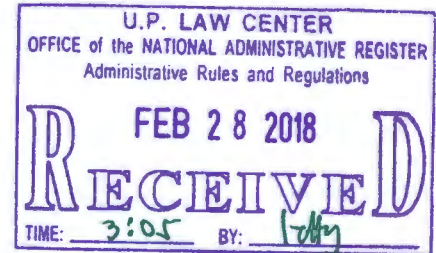
Approved by the NEA Board of Administrators in its meeting held on February 20, 2018.





February 27, 2018

THE DIRECTOR
Office of the National Administrative Register
University of the Philippines Law Center
U.P. Law Center, Diliman
Quezon City



Sir:

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P. Law Center, for filing, publication and recording the attached certified true copies of the **POLICY GUIDELINES ON GRANTING OF INCENTIVES TO OUTGOING MEMBERS OF THE BOARD OF DIRECTORS** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P. Law Center.

Very truly yours,


ATTY. ALEXANDER PAUL T. RIVERA
Corporate Board Secretary V