



Republika ng Pilipinas
National Irrigation Administration
(Pambansang Pangasiwaan ng Patubig)
Lungsod ng Quezon

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OFFICE OF THE BOARD OF DIRECTORS

RESOLUTION NO. 8577-19
SERIES OF 2019

RECONSTITUTION OF BOARD COMMITTEES

WHEREAS, pursuant to Section 16.1 of the Code of Corporate Governance for Government -Owned and -Controlled Corporations (GOCCs), the governing Boards of GOCCs shall constitute the proper committees to assist them in performing their duties and responsibilities.

WHEREAS, the Governance Commission for GOCCs (GCG) set as minimum the creation of Executive Committee, Audit Committee, Governance Committee, Nomination and Remunerations Committee and Risk Management Committee;

WHEREAS, Section 16.2.1 of the Code provides that the Board may constitute an **Executive Committee** composed of not less than three (3) members of the Board with the Chairman of the Board being the Committee Chairman;

WHEREAS, Section 16.2.2 of the Code provides that the **Audit Committee** shall consist of at least three (3) Directors, whose Chairman should have audit, accounting or finance background;

WHEREAS, the Section 16.2.3 of the Code states that the **Governance Committee** shall be composed of at least three (3) members of the Board, and chaired by the Chairman of the Board.

WHEREAS, Section 16.2.4 states that the **Nomination and Remunerations Committee** shall consists of at least three (3) members of the Board;

WHEREAS, Section 16.2.5 provides that the **Risk Management Committee** shall consist of at least three (3) members, with at least one member having a background in finance and investments;

WHEREAS, Resolution No. 8384-16 series of 2016 constitutes the NIA Board Committees without prejudice to the Board's review of its composition;

WHEREAS, the Board finds and determines that it is necessary to review and reconstitute the committees in accordance with the rules set by GCG and in view of the current composition in the Board seats;

RESOLVED, the previously constituted committees are hereby continued as Board Committees which duties and functions are set forth in the *Terms of Reference* incorporated and attached to this Resolution as Annex 1;

RESOLVED FURTHER, that to implement the standards set forth in the Code and pertinent rules, the memberships in the previously established Board Committees are hereby reorganized as follows:

EXECUTIVE COMMITTEE

Chairperson: Chairman of the Board
Members: National Power Corporation
NIA Administrator

AUDIT COMMITTEE

Chairperson: National Economic and Development Authority
Members: Rice and Corn Sector Representative
Department of Public Works & Highways

GOVERNANCE COMMITTEE

Chairperson: Chairman of the Board
Members: National Power Corporation
NIA Administrator

NOMINATIONS AND REMUNERATION COMMITTEE

Chairperson: National Power Corporation
Members: Department of Public Works & Highways
National Economic and Development Authority

RISK MANAGEMENT COMMITTEE


Chairperson: Department of Public Works & Highways
Members: National Power Corporation
National Economic and Development Authority
NIA Administrator
Rice and Corn Sector Representative

RESOLVED FINALLY, this Resolution supersedes Resolution No. 8384-16 series of 2016.

Adopted on the 29th day of January 2019.


Dir. RICARDO R. VISAYA
Vice-Chairman
National Irrigation Administration


Dir. PIO J. BENAVIDEZ
Member
National Power Corporation


Dir. ROLANDO G. TUNGPALAN
Alternate Member
Nat'l Economic & Dev. Authority

(ON OFFICIAL BUSINESS)
Dir. MARIA CATALINA E. CABRAL, Ph.D.
Alternate Member
Dept. of Public Works and Highways


Dir. GREGORIO G. SARMIENTO
Member, Private Sector

Attested by:


Atty. JISELLE RAE A. VILLAMOR
Corporate Board Secretary

TERMS OF REFERENCE BOARD COMMITTEES National Irrigation Administration

I. Executive Committee

1. **Primary Function.** The Executive Committee has the power to act on behalf of the Board between meetings.
2. **Membership.** The Executive Committee shall consist of at least three (3) members of the Board with the Chairman of the Board being the Committee Chairman.
3. **Duties.** In accordance with the authority granted by the Board, or during the absence of the Board, the Executive Committee 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 GOCC'S Charter or By-Laws, *except* with respect to:
 - (a) Approval of any action for which shareholders' approval is also required;
 - (b) Filling of vacancies on the Board or in the Executive Committee;
 - (c) Amendment or repeal of By-Laws or the adoption of new By-Laws;
 - (d) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
 - (e) Distribution of cash dividends; and
 - (f) Exercise of powers delegated by the Board exclusively to other committees.

The committee shall meet, whenever necessary, upon the request of any member and /or upon the instruction of the Chairman of the Board.

II. Audit Committee

1. **Primary Function.** The Audit Committee provides oversight of the financial reporting process, the audit process, the NIA's system of internal controls and compliance with laws and regulations.
2. **Membership.** The Audit Committee shall consist of at least three (3) Directors, whose Chairman should have audit, accounting or finance background.

3. **Duties.** The Audit committee shall have the following duties:

- a. Oversee, monitor and evaluate the adequacy and effectiveness of the GOCC'S internal control system, engage and provide oversight of the GOCC'S internal and external auditors and coordinate with the Commission on Audit (COA);
- b. Review and approve audit scope and frequency, 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;
- c. Receive and review reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- d. Ensure that internal auditors have free and full access to all the GOCC'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;
- e. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the GOCC through a procedures and policies handbook that will be used by the entire organization.
- f. Upon written notice, the Committee shall meet at least once every three (3) months. The Committee may call for a separate meeting with the NIA- Internal Audit Services; and
- g. Present to the Board the Audit Committee Report.

III. Governance Committee

1. **Primary Function.** The Governance Committee shall assist the Board of Directors in in fulfilling its corporate governance responsibilities.
2. **Membership.** The Committee shall be composed of at least three (3) members of Board, and chaired by the Chairman of the Board.
3. **Duties.** The Governance committee shall have the following duties:
 - a. Oversee the periodic performance evaluation of the Board and its committees and Management; and also conducting an annual self-evaluation of their performance;
 - b. 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).
 - c. Adopt internal guidelines that address the competing time commitments that are faced when directors serve on multiple boards;

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

IV. Nomination and Remunerations Committee

1. **Primary Function.** The Nomination and Remuneration Committee shall assist the Board in ensuring that nomination, appointment and remuneration arrangement of NIA supports its strategic aims and objectives.
2. **Membership.** The Nomination and Remunerations Committee shall consist of at least three (3) members of the Board.
3. **Duties.** The Committee shall have the following duties:
 - a. 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;
 - b. Review and evaluate the qualifications of all persons nominated to positions in the GOCC which require appointment by the Board;
 - c. Recommend to the GCG nominees for the shortlist in line with the GOCC's and its subsidiaries' Board composition and succession plan;
 - d. Develop recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with the GOCC'S culture, strategy, control environment, as well as the pertinent laws, rules and regulations; and
 - e. Upon written notice, the Committee shall meet every 5th and 11th month of the year.

V. Risk Management Committee

1. **Primary Function.** The Risk Management Committee has the responsibility for the risk management policies of NIA and oversight of the operations of the risk management framework.
2. **Membership.** Risk Management Committee shall consist of at least three (3) members, with at least one member having a background in finance and investments.

- 3. Duties.** The Committee shall have the following duties:
- a. Perform oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the GOCC, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
 - b. Develop the Risk Management Policy of the GOCC, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the GOCC, especially at the Board and Management level;
 - c. Provide quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals; and
 - d. Upon written notice, the Committee shall meet at least once every three (3) months.