

Partido Development Administration

Created under R.A. 7820, as amended
Caraycayon, Tigaon, Camarines Sur

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Resolution Number _____
Series of 2015

RESOLUTION ADOPTING CORPORATE GOVERNANCE MANUAL FOR PARTIDO DEVELOPMENT ADMINISTRATION (PDA) IN COMPLIANCE WITH SECTION 42 OF GCG MEMORANDUM CIRCULAR NO. 2012-07, ALSO KNOWN AS “CODE OF CORPORATE GOVERNANCE FOR GOCCs”

Whereas, Partido Development Administration (PDA), a district-level development planning agency of the government, created under Republic Act 7820, as amended by Republic Act 8989, designed to accelerate the development of the 4th District of Camarines Sur comprising ten municipalities namely: Tigaon, Sagnay, Goa, San Jose, Lagonoy, Presentation, Caramoan, Garchitorena, Tinambac, and Siruma, is classified as a Government-Owned and Controlled Corporation (GOCC) given the nature of its operation;

Whereas, as a GOCC, PDA is obliged to abide by the policies set forth by the GCG intended for all GOCCs in the country;

Whereas, included in those policies is for GOCCs to promulgate and adopt their respective Corporate Governance Manuals following the provisions under the Code of Corporate Governance for GOCCs;

NOW THEREFORE, upon a collective motion, unanimously seconded, be it

RESOLVED as it is hereby **RESOLVED** to adopt a **CORPORATE GOVERNANCE MANUAL FOR PARTIDO DEVELOPMENT ADMINISTRATION (PDA) IN COMPLIANCE WITH SECTION 42 OF GCG MEMORANDUM CIRCULAR NO. 2012-07, ALSO KNOWN AS “CODE OF CORPORATE GOVERNANCE FOR GOCCs”** as follows:

PARTIDO DEVELOPMENT ADMINISTRATION CORPORATE GOVERNANCE MANUAL

SECTION 1. Definition of Terms – For the purposes of this Manual, the following terms shall be used as defined below:

Administrator – The highest ranking official of the Administration;

Development Programs and Projects – Programs and projects formulated primarily for the attainment of PDA vision and mission;



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Officers – Refers to employees of the Administration with managerial and supervisory responsibilities;

Partido Development Administration (PDA) – A district-level development planning agency of the government, created under Republic Act 7820, amended by RA 8989, designed to accelerate the development of the 4th District of Camarines Sur comprising ten municipalities, namely: Tigaon, Sagnay, Goa, San Jose, Lagonoy, Presentation, Caramoan, Garchitorea, Tinambac, and Siruma;

PDA Board of Directors (Board) - The policy-making body of PDA composed of the ten municipal mayors as ex-officio members and ten PSR

Performance Evaluation System – a system of periodic performance evaluation of PDA officers and employees

Performance Scorecard – refers to a governance and management tool forming part of the performance evaluation system which consists of set of measures, targets and initiatives that facilitate the achievement of breakthrough results and performance through effective and efficient monitoring and coordination of the strategic objectives;

Private Sector Representative (PSR) – A member of the Board representing organized nongovernmental organizations (NGOs) and sectoral associations, such as, but not limited to farmers, fishermen, businessmen, youth, women, etc;

Strategy Map – An integrated set of strategic objectives and targets drawn by the Board, the successful execution of which results in the achievement of PDA's vision in relation to its mission for which it was created

Stakeholder – Individuals and entities, government and private, with interests and/or concerns on programs and projects being undertaken by Partido Development Administration

SECTION 2. Vision. The Partido Development Administration envisions a district where the quality of life is comparable with the most advance districts in the country

SECTION 3. Mission. To attain its corporate vision PDA shall catalyze industry and commerce through upgrading of human resources, enhancement of LGU capability, construction of basic socio-economic infrastructure, operation of pioneering business ventures, and preserving and safeguarding the environment.



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SECTION 4. Functions and Powers. The Administration shall have the following functions and powers:

- (a) To make a comprehensive survey of the physical and natural resources of the district, including social conditions and values, and institutional systems, as well as special problems of the area;
- (b) To prepare, undertake, and implement a comprehensive and integrated development program for the district;
- (c) To pass over all plans, programs, projects, and project developmental programs proposed by local government agencies within the district, public corporations, and private enterprises where such plans, programs and/or projects are related to the development of the district as envisioned under RA 7820, as amended. The Administration shall determine whether such plans, programs and/or projects are contributory to district development and consistent with national goals and objectives;
- (d) To make recommendations to the proper agencies on the technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial, commercial, and infrastructure projects, soliciting or requiring direct or indirect help from or through the government or any of its instrumentalities;
- (e) To encourage investments in the district by extending the necessary planning, management, and technical assistance to prospective and existing investors;
- (f) To help promote the economic zones and/or industrial estates established in the district;
- (g) To engage in agriculture, industry, commerce or other activities within the district which may be necessary to the socioeconomic development of the area and for this purpose, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, and operate subsidiary corporations: provided, that the Administration shall engage only, unless public interest requires otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity or interest of private enterprises;
- (h) To receive grants, both in cash and in kind, for its capitalization and operation;
- (i) To establish, operate and/or contract to operate such agencies, functional units and instrumentalities which may be necessary for the furtherance of the provisions of RA 7820;
- (j) To adopt a corporate seal, enter into contracts, and alienate properties;



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(k) To sue and be sued; and

(l) To exercise any other functions necessary to attain the purposes for which it is created.

SECTION 5. Capitalization. — The Administration shall have an authorized capital stock of Fifty million pesos (P50,000,000.00) to be subscribed and paid by the member-municipalities.

The amount necessary for the implementation of this Act shall be charged against the member-municipalities and against the special fund provided for under Section 12 of Presidential Decree No. 1869, as amended, in addition to the projects therein.

SECTION 6. The Board of Directors. - The affairs and business of the Administration shall be directed and its properties managed and preserved by a Board of Directors hereinafter referred to as the 'Board'.

(a) Composition of the Board. -

The Board shall have twenty-two (22) members:

(1) The ten (10) mayors of the member-municipalities, as ex officio members;

(2) One (1) private sector representative from each of the member-municipalities selected from among duly organized nongovernmental organizations (NGOs) and sectoral associations, such as, but not limited to farmers, fishermen, businessmen, youth, women, etc., whose terms of office shall be two (2) years; and

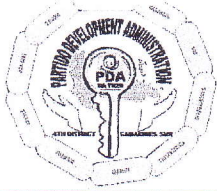
(3) The incumbent member of the House of Representatives representing the third congressional district of the Province of Camarines Sur, and the Administrator as ex officio members.

(b) Quorum and voting. -

The chairman of the Board who shall have a term of two (2) years shall be elected by the Board from among themselves. The members of the Board shall have one (1) vote each. A majority of the members shall constitute a quorum. A decision shall, as far as practicable, be reached by consensus. If no consensus is reached, a decision shall be arrived at upon a vote of the majority of all members of the Board constituting the quorum.

(c) Powers and functions of the Board. -

The Board shall:



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- (1) Formulate policies, develop programs, and promulgate rules and regulations to carry out the powers and functions of the Administration;
- (2) Approve each year a budget to cover the operations of the Administration based upon the:
 - (i) Income from the Administration's investments and projects in member-municipalities; and
 - (ii) Paid-up capital and additional paid-up subscriptions.
- (3) Fix compensations, emoluments and allowances of the Administrator and other officers and personnel of the Administration;
- (4) Approve appointment of all heads of departments and divisions of the Administration, upon the recommendation of the Administrator subject to existing Civil Service Law, rules and regulations; and
- (5) Perform such other functions as may be necessary to carry out the purposes of RA7820, as amended, or as may be provided in other sections of this Act."

Sec. 7. Duties and Functions of the Chairman of the Board. - The chairman shall:

- (a) Call and preside at the meetings of the Board and shall see to it that the policies, programs, and rules and regulations developed and promulgated by it are implemented properly;
- (b) Present for approval by the Board:
 - (1) The annual budget of the Administration;
 - (2) The rules and regulations needed to carry out the provisions of RA 7820 as amended;
 - (3) Other matters which he deems necessary or proper for the effective implementation of RA 7820; and
 - (4) The annual report on the activities and finances of the Administration, copies of which upon approval by the Board, shall be furnished the office of the Director-General of the National Economic and Development Authority (NEDA) and the NEDA Regional Director of Regional Office No. V, and such other agencies as the Board may deem necessary.
- (c) Perform such other functions which the Board may direct to carry out the provisions of RA 7820.



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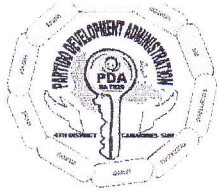
SECTION 8. Board Secretary. The Board Secretary must possess organizational and interpersonal skills, preferably a Lawyer. The Corporate Secretary shall have the following functions;

- (a) Serve as an adviser to the Board Members on their responsibilities and obligations;
- (b) Keep the minutes of meetings of the Board, the Sectoral Committees, and all other committees in a book or books kept for that purpose, and furnish copies thereof to the Chairman, the Co-Chairman, the Administrator and other members of the Board as appropriate;
- (c) Keep in safe custody the seal of PDA and affix it to any instrument requiring the same;
- (d) Attend to the giving and serving of notices of Board and shareholder meetings, if applicable;
- (e) Be fully informed and be part of the scheduling process of other activities of the Board;
- (f) Receive instructions from the Chairman on the preparation of an annual schedule, the calling of Board Meetings, and notifying the Board of such agenda at every meeting;
- (g) Oversee the adequate flow of information to the Board prior to meetings; and
- (h) Ensure fulfilment of disclosure requirements to regulatory bodies.

The Board Secretary shall have such other responsibilities as the Board may impose upon him. The Board shall have separate and independent access to the Corporate Secretary.

SECTION 9. Compliance Officer. – The Board shall appoint Compliance Officer who shall report directly to the Chairman and Co-Chairman, preferably a Lawyer. In the absence of such office or appointment, the Board Secretary, shall act as Compliance Officer. The Compliance Officer shall perform the following duties.

- (a) Monitor PDA's compliance with the requirements under Republic Act 10149 – the GOCC Governance Act of 2011, GCG memorandum Circular No. 2012-07- the Code of Corporate Governance for GOCCs, the rules and regulations of PDA, and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- (b) Appear before the GCG when summoned in relation to compliance issues; and
- (c) Issue a certification every 30th May of the year on the extent of PDA's compliance with the government corporate standards governing PDA for the period beginning 01 July of the immediately preceding calendar year and, if there are any deviations, explain the reason for such deviation.



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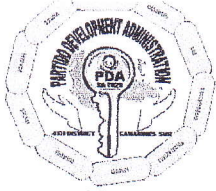
The appointment of a Compliance Officer shall not relieve the Board of its primary responsibility vis-a-vis the State, acting through the GCG, to ensure that PDA has complied with all its reportorial, monitoring and compliance obligations.

SECTION 10. Organizational Structure. — The Board shall determine the organizational structure, staffing pattern, and pay scale of the officers and employees of the Administration. The Board may reorganize the same and create or abolish divisions, offices, units, branches or agencies therein, as it may deem to be required: provided, that the municipal planning and development coordinator of the member-municipalities shall be involved in the day-to-day operations of the Administration, who, in carrying out their assigned tasks, may be assisted by contractual personnel: provided, further, that the number of contractual personnel to be employed by the Administration shall be based on such organizational structure jointly prepared by the Board and the administrator (*Annex A*).

SECTION 11. The Administration. - The Administration shall have an administrator who shall be appointed by the Board. He shall be the chief executive officer of the Administration and automatically vice chairman of the Board.

The Administrator shall have the following powers, duties and responsibilities:

- (a) To submit to the Board, through the chairman, policies and measures which, in his judgment, are necessary to carry out the purposes and provisions of RA 7820, as amended;
- (b) To prepare the budget of the Administration for approval by the Board;
- (c) To execute and administer policies and measures approved by the Board;
- (d) To direct and supervise the operations and internal administration of the Administration. He may delegate certain administrative responsibilities to other officers of the Administration subject to the rules and regulations of the Board;
- (e) To appoint all employees of the Administration except the heads of departments and divisions whose appointment shall be made by the Board upon his recommendation; and to remove, dismiss or otherwise discipline for cause, such employees in accordance with Civil Service Law, rules and regulations;
- (f) To represent the Administration in all its dealings with other officers, agencies, and instrumentalities of the government and with other persons and entities, public or private;
- (g) Subject to the approval of the Board, to determine the rates of compensation, allowances, honoraria and such other additional compensation which the Administration is hereby authorized to grant its officers, technical staff and consultants including the necessary detailed personnel; and



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(h) To exercise such other powers as may be granted to him by the Board.

The Administrator shall have the following qualifications:

- (1) He must at least possess a master's degree in management or other such equivalent educational qualification;
- (2) He must have had at least three (3) years management experience involving not less than fifty (50) subordinates;
- (3) He must have had at least (3) years experience in development planning; and
- (4) He must not have been convicted of any crime in any court of law.

SECTION 12. Power to Issue Bonds. — Whenever the Board deems it necessary for the Administration to incur an indebtedness or to issue bonds to carry out the provisions of RA 7820, as amended, it shall, by resolution, declare and state the purpose for which the proposed debt is to be incurred.

In order that such resolution be valid, it shall be passed by the affirmative vote of at least two-thirds (2/3) of all the members of the Board.

SECTION 13. Sinking Fund. — A sinking fund shall be established by the Administration in such manner that the total annual contributions thereto, accrued at such rate of interest as may be determined by the Secretary of Finance, shall be sufficient to redeem at maturity the bonds issued under the provisions of RA 7820, as amended.

SECTION 14. Foreign Loans. — The Administration is hereby authorized to contract from time to time loans, credits, and indebtedness repayable in foreign currencies from foreign governments or any international financial institution, or fund sources for use in the development of the district.

The President of the Philippines, by himself, or through the Secretary of Finance, is hereby further authorized to guarantee, on behalf of the Republic of the Philippines, the payment of any loan herein authorized, as well as the performance of any other obligations undertaken by the Administration, pursuant to loan agreements with foreign governments or international financial institutions.

In the negotiation and contracting of any loan, credit, or indebtedness under this section, the provisions of Sec. 4 of Republic Act No. 4860 and Sec. 5 of Republic Act No. 6142, as amended, shall apply.

The loans, credits, and indebtedness contracted under this subsection and the payment of the principal, interest and other charges thereon, as well as the importation of machinery, equipment,



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materials and supplies by the Administration, paid from the proceeds of any loan, credit or indebtedness incurred under this Act shall be exempt from all taxes, fees, importations, charges, and restrictions imposed by the Republic of the Philippines, or any of its agencies and political subdivisions.

SECTION 15. Auditor. — The Administration shall be subject to audit by the Commission on Audit (COA). The COA resident auditor shall submit a report of audit findings at the end of each calendar semester to the Board.

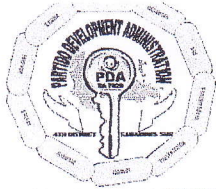
SECTION 16. Merit System. — All officials and employees of the Administration shall be elected and appointed on the bases of merit and fitness, in accordance with the merit system to be established by the Administration upon its organization in accordance with the Civil Service Law, rules and regulations. The transfer, promotion, and dismissal of all personnel including temporary workers shall be governed by such merit system. Their qualifications being equal, long time residents of the district shall be preferred in recruiting administration staff.

SECTION 17. Performance Incentive and Reward System. The Administration shall conduct periodic performance evaluation of its officers and employees which will be the basis of its reward and incentive system. Towards this end, a *Program on Awards and Incentives for Service Excellence (PRAISE)* shall be adopted by the Administration following Civil Service rules and regulations which will form part of this Manual. (Annex B)

SECTION 18. Donations and Gifts. — The Administration may receive donations or bequests which shall be utilized only for implementation of programs and projects of the Administration: provided, that such programs and projects financed by foreign grants or loans with national security implications shall be approved by the national agency concerned which shall be deemed to have approved the same if it fails to act on the request from the Administration for such approval within thirty (30) days from receipt thereof. Any such donations or bequests shall be exempt from the payment of gift taxes and the full amount of such donations or bequests shall be deductible from the gross income of the donor for the year during which the same is made.

SECTION 19. Disclosures – PDA shall fully disclose all material information to the National Government and the public, its ultimate stakeholder, in a timely and accurate manner at all times, including but not limited to unrestricted public web access to:

- (a) Latest version of PDA Charter
- (b) Complete compensation package of all the Directors and officers, including travel, representation, transportation and any other form of expenses or allowances;
- (c) Information on Board Committees and their activities;
- (d) Attendance record of Directors in Board and Committee Meetings;
- (e) PDA Latest annual Audited Financial Performance Report within thirty (30) days from receipt report;
- (f) Audited Financial Statements in the immediate past three (3) years;



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- (g) Quarterly, and Annual Reports and Trial Balance;
- (h) Current Corporate Operating Budget (COB);
- (i) Local and foreign borrowings ;
- (j) All borrowings guaranteed by the Government;
- (k) Any material risk factors and measures taken to manage such risks;
- (l) Performance Evaluation System (PES);
- (m) Charter Statement/Mission-Vision Statements;
- (n) Performance Scorecards and Strategy Map;
- (o) Organizational Structure;
- (p) Manual of Corporate Governance;
- (q) CSR Statement;
- (r) Balance Scorecard; and
- (s) Such other information or report that the GCG may require.

SECTION 20. Mandatory Reports. The Board shall regularly submit, as may be required by the GCG and other Government Agencies, the following:

- a.) Performance Scorecards;
- b.) Implementation of the audit recommendations of COA; and
- c.) Compliance with commitments on servicing loans to, and borrowings guaranteed by the National Government.

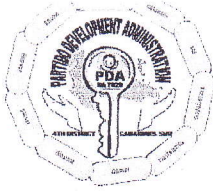
SECTION 21. Dissolution. The Administration shall be dissolved even before the expiration of its corporate life once objectives have been realized as manifested by a comprehensive road network and economic indicators equal to those present in the most developed district in the country. The regional development council through the National Economic and Development Authority (NEDA) shall initiate the dissolution by submitting a recommendation to the Board.

SECTION 22. Applicability of the Corporation Law. The provisions of the corporation law, as amended, insofar as they are not inconsistent with this Act, shall be applicable to the operations of the Administration.

SECTION 23. Sanctions and Penalties. Any violations of the provisions under this Manual shall be dealt with in accordance with Republic Act 3019 - the Anti-Graft and Corrupt Practices Act, Republic Act 6713 - Code of Ethical Standards for Government Employees, GCG MC No. 2012-05 – Fit and Proper Rule for Appointive Directors and CEOs of GOCCs, and other applicable laws, rules and regulations.

SECTION 24. Amendments. This Manual maybe amended in accordance with existing laws, rules and regulations with prior clearance and final approval from the GCG.

SECTION 25. Effectivity. This Manual shall take effect immediately upon its approval by the Board.



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Unanimously approved. February 26 2014

Certified true and correct:

LEO FRANCISCO T. BRIGUERA
Board Secretary

Attested by:

HON. RUEL T. VELARDE
PDA Board Chairman