



ICD

**Institute of
Corporate
Directors**

Introduction to Corporate Governance and Best Practices for GOCCs

Rex C. Drilon II, FICD

Chairman, Institute of Corporate Directors

25 May 2021

Introductions (10 seconds each)



- **Full Name** and
Nickname
- **Position** and
Organization
- Your **Expectations** of
today's workshop

Rex C. Drilon II, FICD

CHAIRMAN: Institute of Corporate Directors (ICD)

VICE CHAIRMAN: Institute for Solidarity in Asia (ISA), Center for Excellence in Governance (CEG)

EXECUTIVE COMMITTEE MEMBER: Global Network of Director Institutes

EXECUTIVE DIRECTOR: PwC Executive Coaching Practice

BOARD ADVISER & FOUNDING PRESIDENT: Iloilo Economic Dev. Foundation

MEMBER: Management Association of the Philippines (MAP), Shareholders Association of the Philippines (Sharephil)

CHAIRMAN, Keyland Corporation, YLD, Inc.

RETIRED INDEPENDENT DIRECTOR: Metrobank Group

FORMER C-LEVEL EXECUTIVE: Ortigas & Co., Ayala Land and Subsidiaries CHI and CPVDC, Jardine Davies, Philippine Fuji Xerox, Philtranco /FMMC Group companies

EDUCATION: Product of UP, UE and UA&P

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Outline

Introduction/s

**Why Corporate Governance in GOCCs
OECD CG Principles for SOEs**

**Global, Regional and Local Corporate
Governance Trends**

**The JP Estanislao Framework
What about GOCCs?**

**PSE Guidelines for a Well-Governed
Company**

Why Practice Corporate Governance in GOCCs?



OECD Principles for State-Owned Enterprises



Ensuring an Effective Legal and Regulatory Framework for State-Owned Enterprises



The State Acting as an Owner



Equitable Treatment of Shareholders

OECD Principles for State-Owned Enterprises



Relations with Stakeholders



Transparency and Disclosure



The Responsibilities of the Boards of State-Owned Enterprises

OECD Principles of Corporate Governance

For State-owned Enterprises (SOEs or GOCCs)	For Private Enterprises
<ol style="list-style-type: none">1. Ensuring an Effective Legal and Regulatory Framework for State-Owned Enterprises2. The State Acting as an Owner3. Equitable Treatment of Shareholders4. Relations with Stakeholders5. Transparency and Disclosure6. The Responsibilities of the Boards of State-Owned Enterprises	<ol style="list-style-type: none">1. Ensuring the basis of an effective corporate governance framework.2. The rights of shareholders and key ownership functions.3. The equitable treatment of shareholders.4. The role of stakeholders in corporate governance.5. Disclosure and transparency.6. The responsibilities of the board.



**CORPORATE GOVERNANCE:
GLOBAL TRENDS, REGIONAL
CHALLENGES AND THE
PHILIPPINE SITUATION**

PHOTOSOURCE: <http://www.ifed-sea.org/wp-content/uploads/2011/05/211-536-map-southeast-asia1-300x280.jpg>

Pre-COVID Key Global Governance Trends



Reference: Global & Regional Corporate Governance Trends, Russell Reynolds Associates. February 2019

The Purpose of a Corporation

Business Roundtable 19 August 2019

Signed by 181 CEOs with commitments to:

- *“Delivering value to our **customers.**”*
- *“Investing in our **employees.**”*
- *“Dealing fairly and ethically with our **suppliers**”*
- *“Supporting the **communities** in which we work”*
- *“Generating long-term value for **shareholders**, who provide the capital that allows **companies** to invest, grow and innovate.”*



Ref: <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

Covenant on Shared Prosperity: The Philippine Business Groups'* Response (1/2)

- Recruit, train and develop our employees and managers to be the best that they can be irrespective of gender, alma mater, age, ethnicity and religion; provide just compensation and benefits; promote meritocracy and encourage work-life harmony;
- Provide only quality products and services that are of continuing value to our customers;
- Treat our goods, service and funds providers fairly, ethically and with respect as we expect them to treat their own workers in their supply chain the same way;

* Signed by 26 business and professional organizations including MAP, FINEX, MBC, PCCI, BAP, ICD, ISA, and others.

Covenant on Shared Prosperity: The Philippine Business Groups' Response (2/2)

- Be actively involved in the communities where we operate in with particular attention to the needs of the disadvantaged in those communities;
- Protect and preserve the environment for the benefit of current and future generations by employing environment friendly technologies in all aspects of business operations; and
- Deliver reasonable and just returns to and fair treatment of our controlling and non-controlling shareholders.

The Six Pillars of the CSP

- Quality products and services to customers
- Meaningful and gainful employment
- Fair, ethical and respectful treatment of suppliers
- Active involvement in the community
- Protection of the environment
- Reasonable and just returns to shareholders

GNDI Key Findings



Board pleased with B&M crisis response, Governance remained effective



Increased emphasis on Risk in 2021 and beyond



Virtual Board Meetings work and are here to stay but second best



Increased Director Time Commitment



Other Findings

- Board governance is more intense and more frequent
- 2/3 of Directors report their time commitment increased 50% or more
- Four top challenges in COVID-19 crisis response
 - Recalibrating strategy
 - Virtual Board meeting effectiveness
 - Responding to new regulations
 - Ensuring effective governance in decisions affecting stakeholders



COVID'S IMPACT ON BOARD GOVERNANCE

- Need for outside experts in risk scenario planning
- Focus on ESG, Sustainability and Stakeholder values
- Growing use of Analytics in the boardroom
- Increased...
 - Competition for talent
 - Emphasis on corporate purpose
 - Board diversity

3 Megatrends reinforced by CoVid 19*

- **Rise of Government:**
 - Heavy Deficit, Huge Public Stimulus spending;
 - Big business in best position to take advantage
- **Globalization Dead on its Tracks:**
 - US has abandoned its leadership role,
 - Disruption of Global Supply Chains -esp. those with big China footprint
- **Massive Jump in Digitalization:**
 - All facets of work, home, learning, etc.

**Dr. Jesus P. Estanislao, Ph.D.*

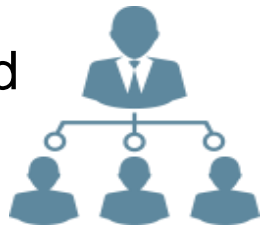


Founder and Chairman, Center for Excellence in Governance (CEG)

Founder and Chairman Emeritus, Institute of Corporate Directors (ICD) and the Institute for Solidarity in Asia (ISA)

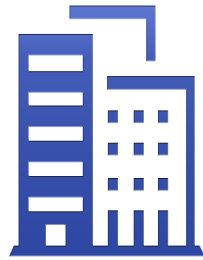




OECD CG White Paper on Asia

Challenges in Asia

- Concentrated Ownership Structure 
- Lack of Independence of the Board 
- Prevalence of Related Party Transactions 

Institutional Groups

- Corporations 
- Shareholders 
- Regulators 

OECD CG Recommendations on Asia



Corporations

- Protect the rights of the stakeholders
- Raise disclosure standards
- Ensure independent judgment of directors



Shareholders

- Shareholder engagement



Regulators

- More effective system
- Interests of non-controlling shareholder

C.G. IMPROVEMENT IS A TRIPARTITE RESPONSIBILITY

WHAT THEY SAID ABOUT US



World Bank / IMF Assessment

- Concentration of business ownership
 - Market power
 - Ownership of Banks
 - Constraints to growth
 - Inequitable treatment of minority shareholders
- Unfair competitive advantage for big players
- Exploitation of smaller but more numerous stakeholders
- Funding not sustainable
- Philippine business has to **reform** itself
- **Corporate Governance is the Key**

Ranking Criteria

WEF (Country)	ACGS (PLCs)	ACGA (Country)
Ethical Behavior of Firms	Rights of Shareholders	Corporate Governance Rules/Practices
Strength of Investors' Protection	Equitable Treatment of Shareholders	Enforcement
Protection of Minority Shareholders' Interests	Role of Stakeholders	Policy & Regulatory Environment
Strength of Auditing and Reporting Standards	Disclosure and Transparency	IGAAP
Efficacy of Corporate Boards	Board Responsibility	Corporate Governance Culture

World Economic Forum Competitiveness Report (2010-2016)

	2010	2011	2012	2013	2014	2015	2016	Top
TOTAL NUMBER OF COUNTRIES	139	142	144	148	144	140	137	
Philippine Ranking	85th	75th	65th	59th	52nd	47th	56th	
CORPORATE GOVERNANCE RANKINGS	90 (65%)							67 (49%)
Ethical Behavior of Firms	129	118	87	69	49	52	84	61%
Strength of Investors' Protection	109	111	110	107	105	121	111	81%
Protection of Minority Shareholders' Interests	80	84	57	47	45	45	51	37%
Strength of Auditing and Reporting Standards	75	62	41	38	48	46	48	35%
Efficacy of Corporate Boards	56	52	51	48	29	45	54	39%

Global Competitiveness Index 4.0

Economy Profiles

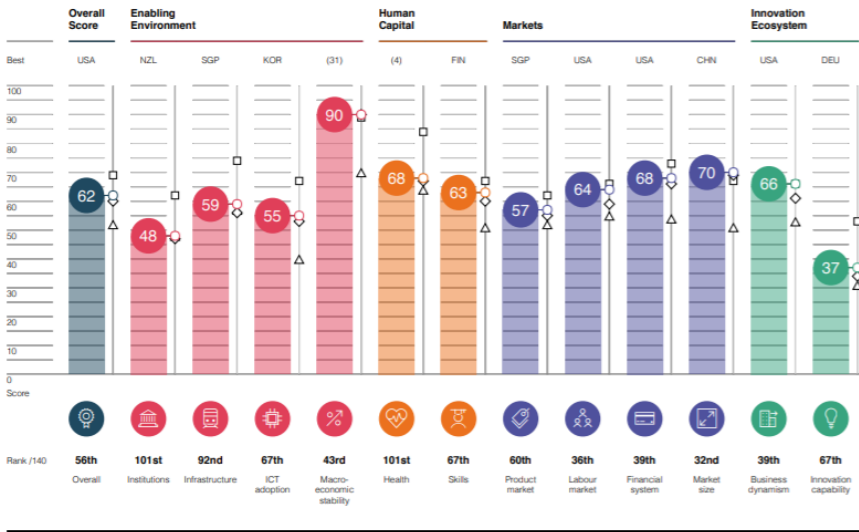
Philippines

56th / 140

Global Competitiveness Index 4.0 2018 edition

Rank in 2017 edition: 68th/135

Performance Overview Key ◇ Previous edition △ Lower middle income group average □ East Asia and Pacific average
2018



Economy Profiles

Philippines

64th / 141

Global Competitiveness Index 4.0 2019 edition

Rank in 2018 edition: 56th/140

Performance Overview Key ◇ Previous edition △ Lower-middle-income group average □ East Asia and Pacific average
2019



Asian Corporate Governance Association: Survey Framework

CG Watch 2016	CG Watch 2018
<ol style="list-style-type: none">1. CG Rules & Practices2. Enforcement (public, private)3. Political & regulatory Environment4. Accounting & Audit5. CG Culture	<ol style="list-style-type: none">1. Government & Public Governance2. Regulators (2.1 Funding, Capacity Building, Regulatory Reform; 2.2 Enforcement)3. CG Rules4. Auditors & Audit Regulators5. Listed Companies6. Investors7. Civil Society & Media

CG Watch Market Scores from 2010 to 2018

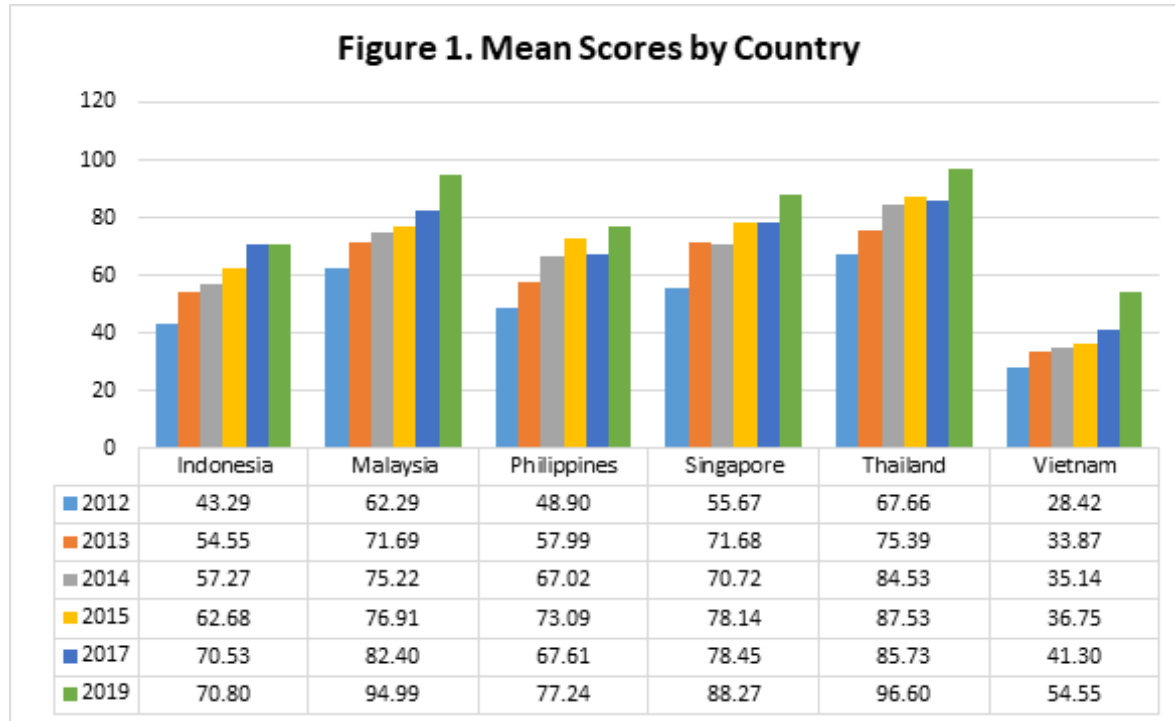
Rank	Market	2010	2012	2014	2016	2018	Change 2016 vs 2018
1	Hong Kong	65	66	65	65	60	-5
2	Singapore	67	69	64	67	59	-8
3	Malaysia	52	55	58	56	58	+2
4	Taiwan	55	53	56	60	56	-4
5	Thailand	55	58	58	58	55	-3
6	India	49	51	54	55	54	-1
7	Japan	57	55	60	63	54	-9
8	Korea	45	49	49	52	46	-6
9	China	49	45	45	43	41	-2
10	Philippines	37	41	40	38	37	-1
11	Indonesia	40	37	39	36	34	-2

Source: Asian Corporate Governance Association

The Philippine Category Scores 2018

	2018	Regional Average
Government & public governance	23	46
Regulators	25	52
Funding, capacity, reform	24	50
Enforcement	26	54
CG Rules	43	60
Listed companies	44	53
Investors	21	34
Auditors & audit regulators	63	68
Civil society & media	38	51
Average	34	50

ACGS Average scores for 2019 assessment



555 PLCs assessed



- Based on average scores, the best performing PLCs were from **TH** followed by **MY and SG**.
- Countries with most improved average scores since 2012 are **MY (32.7 points)** and **SG (32.6 points)**.

Country Response



- Revised CG Code
- CG Blueprint 2016-20; New Roadmap to 2025
- ACGS Monitoring and Assessment with ICD as DRB
- Director Orientation for PLCs
- **Revised Corporation Code**
- **Sustainability Reporting**



- Corporate Governance Scorecard for Banks
- Director Orientation
- CG Code for Banks



- Corporate Governance Scorecard Monitoring and Assessment for GOCCs
- Director Orientation



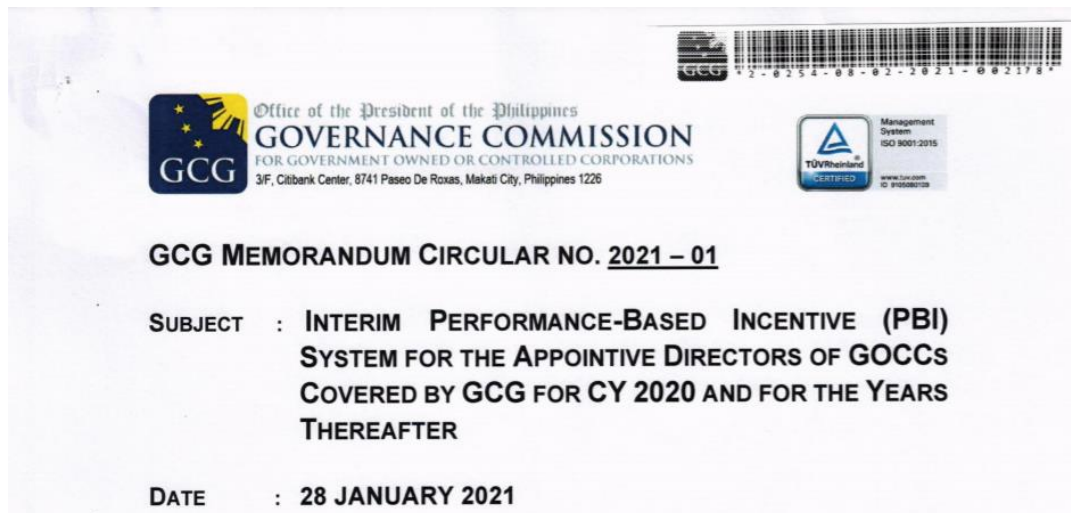
- Corporate Governance Scorecard for ICs
- Director Orientation
- **NEW CG Code**

GCG Initiatives

Corporate Governance Scorecard: Reinforcing High Standards of Governance Across the GOCC Sector

17 March 2021
02:40:12 PM

Established on 08 October 2015, the Corporate Government Scorecard (CGS) is a quantitatively-driven evaluation tool based on existing and globally accepted standards and practices. It is an instrument that assesses the corporate governance initiatives of a Government-Owned or -Controlled Corporation (GOCC) through a methodology benchmarked against the Organisation for Economic Co-operation and Dev...



Reference: GCG Website

The Revised Corporation Code

- Number of Incorporators (Removal of minimum number)
- Minimum Capital Stock (P 1,000,000)
- Corporate Term (Perpetual)
- One Person Corporation
- Corporate Officers (President/CEO, Treasurer/CFO, Corsec, CCO)
- Board Meeting Attendance
- Nationality (e.g. Control test)
- Removal of Directors/Trustees (Empowered SEC)

Reportorial requirements based on the Integrated Annual Corporate Governance Report (IACGR)

1. Board Charter
2. Manual on Corporate Governance
3. Board Nomination and Election Policy
4. Board Diversity Policy
5. Succession Planning and Policy on the Retirement of Directors and Key Officers
6. Remuneration Policy and Relationship between Remuneration and Performance
7. Related Party Transaction (RPT) Policies; Policy on Review and Approval of Significant RPTs
8. Material or Significant RPTs reviewed and approved during the year
9. Board Committee Charters; Internal Audit Charter
10. List of Board Committee members, qualifications and type of directorship
11. Material information on Individual Board Members
12. Enterprise Risk Management (ERM) framework
13. Insider Trading Policy
14. Types of Decisions requiring Board approval
15. Code of Business Conduct and Ethics
16. Board Evaluation
17. Company's Annual Report
18. Dealings in the Company's shares
19. Sustainability Report
20. IT Governance Process

SEC Sustainability Reporting Framework

OUR COMPANY is a Sustainable Business	We Conduct our Business in an ETHICAL manner	Corporate Governance
	We manage our KEY IMPACTS	Economic Environmental Social
	Our products and services create VALUE TO SOCIETY	Contribution to Sustainable Development

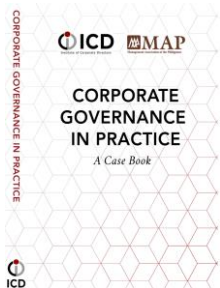
SEC Reporting Template:

How the Company impacts its Stakeholders, Environment and Social Systems

Economic	Impact(s) on the economic conditions of its stakeholders & on the economic system at local, national & global levels. It does <u>not</u> focus on the financial condition of the organization.
Environment	Impacts on living & non-living natural systems including land, air, water & ecosystem
Social	Impacts on social systems in which the organization operated
SDGs	Key products and services that contribute to Sustainability Development Goals (SDGs)



ICD Response



WE PUBLISH

- Produced caselets
- Board Remuneration Survey

WE EDUCATE

- More directors and senior management trained in CGOP, PDP and PGW
- Widened scope (RBs, SMEs)

WE EMPOWER

- Board interventions
- Membership in GNDI
- ICD as the Domestic Rating Board of ACGS

WE ENGAGE

- Increase in ICD Fellows
- Foreign training of ICD Faculty
- Sustained events such as DCGSS, BRT

How ICD Help GOCCs

CG Scores & Ranking – Benchmarking & Action Planning

- Comparisons vs other PLCs (Top 100 and those in same industry) + how to improve score and ranking

Training: CGOP, PDP, PGW and other specialized courses

- PDP for Directors
- CGOP and specialized courses for Senior Management, Chief Compliance Officers, Corporate Secretaries
- Personal Governance

Corporate Board Retreats

3rd Party Board Evaluation

3rd Party CG Assesment

WHY CORPORATE GOVERNANCE?



830

Why Corporate Governance?

- Restore reputation of business, social and state-owned enterprises
- Government and regulators (SEC, BSP, IC, GCG, etc.) want it
- And in developed economies...because investors want to be safe (managed funds, pension funds)
- Companies (PLCs, FOCCs, GOCCs) need it
- Premium in the Marketplace (PLCs)
- Expected by the international community
- Key to a country's global competitiveness

Why Corporate Governance?

- Direct correlation to corporate performance (profitability and growth)
- Better operational performance
- Balancing stakeholder interests
- Strengthening stakeholder relationships
- Ensuring company sustainability
- Directors are at risk

Risks of Directors and Officers

- Regulatory and criminal action*
- Employment practice liability
- Class action
- Media

*Philippine Competition Act

*Data Privacy Act

Why Corporate Governance?

- CG is the focus now in developing economies
 - Power of the corporation to do good
 - Power of the corporation to do evil (damage)
- The need for professional directors

A scenic view of a beach with colorful beach huts and a city skyline in the background. The beach is sandy and has several people walking. The huts are in various colors like blue, yellow, and red. The city skyline is visible in the distance under a blue sky with some clouds.

THE END GAME: **Prosperity*** or Shared wealth creation and Poverty eradication

***Covenant for Shared Prosperity**

830

What is *Corporate Governance*?



“*Corporate governance* is the system by which companies are directed and controlled by a company’s board of directors, acting collegially.” - ICD

Division of Corporate Functions

Group	Function	Compensation
Government thru GCG	Ownership	Dividends
Board of Directors	Corporate Governance	Per diems, bonuses, honoraria...
CEO and the Management Team	Management of the Firm	Salaries, bonuses, allowances...

*Management formulates, the **Board ratifies**;
Management implements, the **Board monitors***

The ICD/Tricker++ Model: Board Functions

	Conformance Roles	Performance Roles
Outward Looking	Accountability <i>Report to shareholders</i> <i>Legal & Reg. Compliance</i> <i>Audit reports review</i>	Strategy <i>Review of Stratplan</i> <i>Set co. direction</i> <i>Determine strategy</i>
Inward Looking	Monitoring and Supervision <i>Executive performance</i> <i>Review results, budgets</i> <i>Corrective action</i>	Policy Making <i>Approve budgets</i> <i>Exec. Compensation</i> <i>Corporate Policy</i> <i>Corporate culture</i>
	Past and Present	Future

CEO

ICD Add: **(1) Ethics, (2) Social Responsibility, (3) Sustainability**

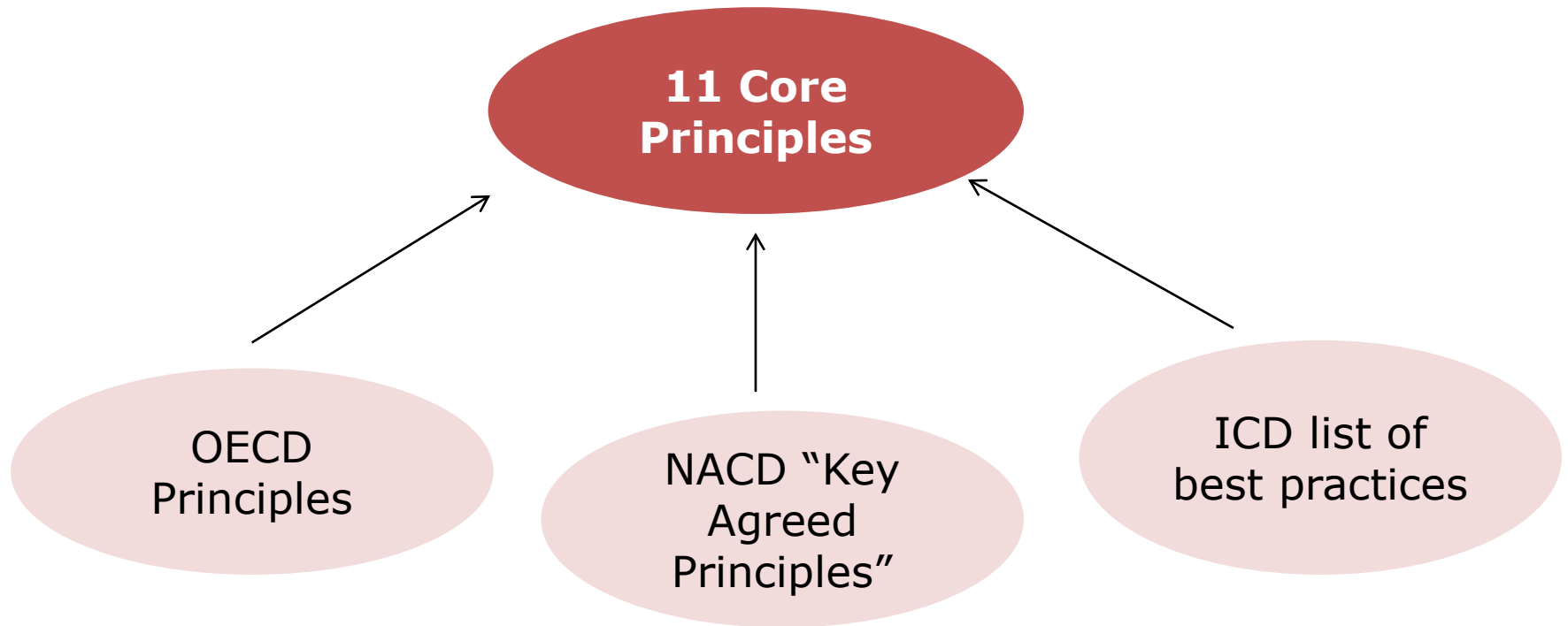
THE 11 CORE PRINCIPLES OF CORPORATE GOVERNANCE



BASED ON THE ESTANISLAO FRAMEWORK

PHOTO SOURCE: https://c2.staticflickr.com/4/3231/3013791304_12e1d701d7.jpg

Bases of the 11 Core Principles



Basic Premises

The Corporation

- Autonomous, separate, independent (of others)
- Has rights and duties relative to others



The Board of Directors

- Acts on behalf of the corporation
- Directs and governs affairs of corporation
- Acts collegially
- Concerned with long-term sustainability

11 Principles of Good Governance

1. Independence

2. Rights and Duties

3. Original Powers to Decide

4. Loyalty

5. Long-Term Viability

6. Fairness

7. Accountability

8. Transparency

9. Ethics

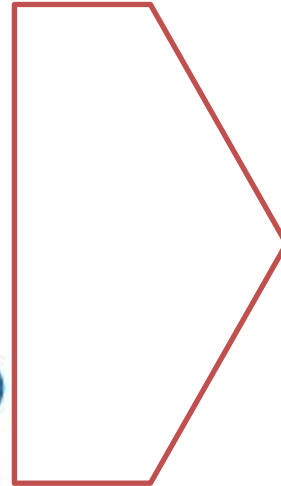
10. Social Responsibility

11. Sustainability

1. Independence

- ***Separate***, different from: Owners, Chairman, President.
- It may be ours, but it is not “us”.
Its assets are not personally “ours”.
Its liabilities are not personally “ours”.

From Independence to a Charter Statement



Personality

True character

Clearly formulated,
regularly articulated

Charter
“V-M-V”

Vision – Mission – Values



What you **seek** to be. With a deadline



What you **do**, who you are



What you **believe** in



VISION: By 2020, the GCG shall have transformed the GOCC Sector into a significant tool of the State in the attainment of inclusive economic growth and development.

MISSION: The GCG is an efficient and effective central advisory, oversight, and monitoring body with authority to formulate and implement policies in the active exercise of the State's ownership rights over GOCCs, thereby ensuring their financial viability and fiscal discipline, through adherence to the highest standards of corporate governance.

CORE VALUES:

- Integrity
- Professionalism
- Independence
- Love of Country





VISION: By 2016, a globally-recognized development financial institution, serving as a catalyst for a progressive and poverty-free Philippines (circa 2011)

MISSION:

- We will work for raising the level of competitiveness of the economy for sustainable growth.
- We will support infrastructure development, responsible entrepreneurship, efficient social services and protection of the environment
- We will promote and maintain the highest standards of service and corporate governance.

MANAGEMENT PHILOSOPHY:

Participative Management
Good Governance
Transparency
People Development

CORE VALUES:

*Integrity * Love for the Filipino * Excellence *Teamwork *Service to Others

2. Rights and Duties

- Has a *mission*, a *basic purpose* for existence
- Granted *certain rights* which impose *corresponding duties*
- One of the Board's duties is to make sure that governance structures and practices ensure the competency and commitment of directors

From Rights and Duties to a Code of Corporate Governance



Code



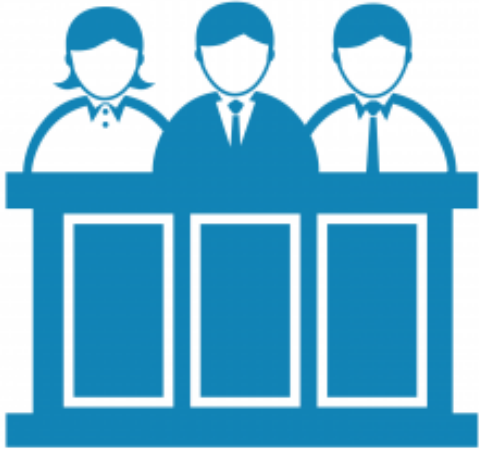
Corporate policy

Corporation's rights
and duties

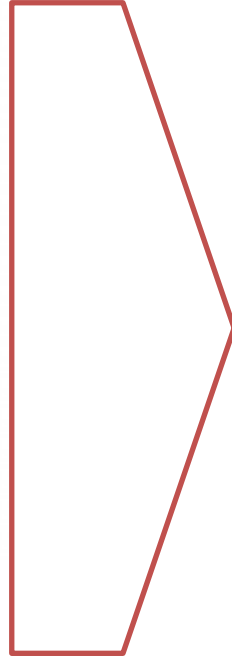
3. Original Powers To Decide

- The Board is always ***a collegial body*** and ***acts collegially***.
- Only the Board of Directors is vested with these Original Powers.

From the Board's Original Powers to a Board Protocol



Board Protocol



- *Duties and responsibilities of the Board
- *Duties and responsibilities of the Director
- *Rights and duties of the Chairman, the CEO, the Corsec
- *Insurance for collegial decision-making
- *Principle of checks and balances

Different Roles that Directors Play

- Decision-maker
- Representative of an interest group
- Challenger
- Supervisor
- Reflective listener
- Process manager

- Knowledge provider
- Status provider
- Innovator
- Developer
- Consensus builder
- Team player

Types of Boards Based on Practice

- Passive
- “Country Club”
- Engaging
- Intervening
- Operating
- Trophy
- Paper
- Rubber Stamp

▪ **Passive**  ▪ **Active**

Chairperson – Leads the Board



Director onboarding



Alignment of information and knowledge in the board



Performance evaluation



Strategic matters



Promotes critical discussion



Encourages and manages dissenting views



Ensures a sound decision-making process - inclusive, collaborative

Characteristics of Strong Boards

- **Balance**

- ✓ Executive
- ✓ Non-executive
- ✓ Independent

- **Right mix**

- ✓ Financial/legal expertise
- ✓ Relevant industry/operational experience
- ✓ Stakeholder understanding
- ✓ Honesty and integrity
- ✓ Gender/age distribution

- **Right size**

- ✓ productive, constructive discussions
- ✓ prompt, rational decisions
- ✓ Efficiently organized committee work

Effective Boards

Most of the **board's time and attention** should be employed on substantive issues.

AGENDA

40% on pro-forma/ routine requirements

60% strategic and major policy issues

PROCEEDINGS

Board materials

Time

Minutes

ORGANIZATION

Agenda should be sorted out as follows:

- >for decision/action
- >for discussion
- >for information
- >for notation

Board Architecture



Board Committees

- Executive Committee
- Audit Committee
- Risk Oversight Committee
- Related Party Transactions Committee
- Anti-Money Laundering Committee
- Governance Committee
- Nominations Committee
- Remuneration Committee

Board Committees

- Should focus on few issues and matters that the entire board should take responsibility for.
- Should be enough board committees to enable individual members to contribute their specific expertise and focus their interest in a few core board duties.
- Should meet prior to the regular board meetings.

Principles for Board Committees

- Cannot have the authority to instruct management
- Are always meant to help the board with some part of the governance job
- Are charged to add value, not to engage in activities
- Have authority to use money or support personnel only if that is granted by the board

Board Composition



Types of Directors

- **Executive Director**
 - A member of the BOD that concurrently holds an executive position
- **Independent Director**
 - A member of the BOD that has no material relationship with the company
- **Non-executive and Non-independent Director**
 - A member of the BOD that holds no position in the company but has a material relationship with the company

2008 Typical Board Compensation (in Php)

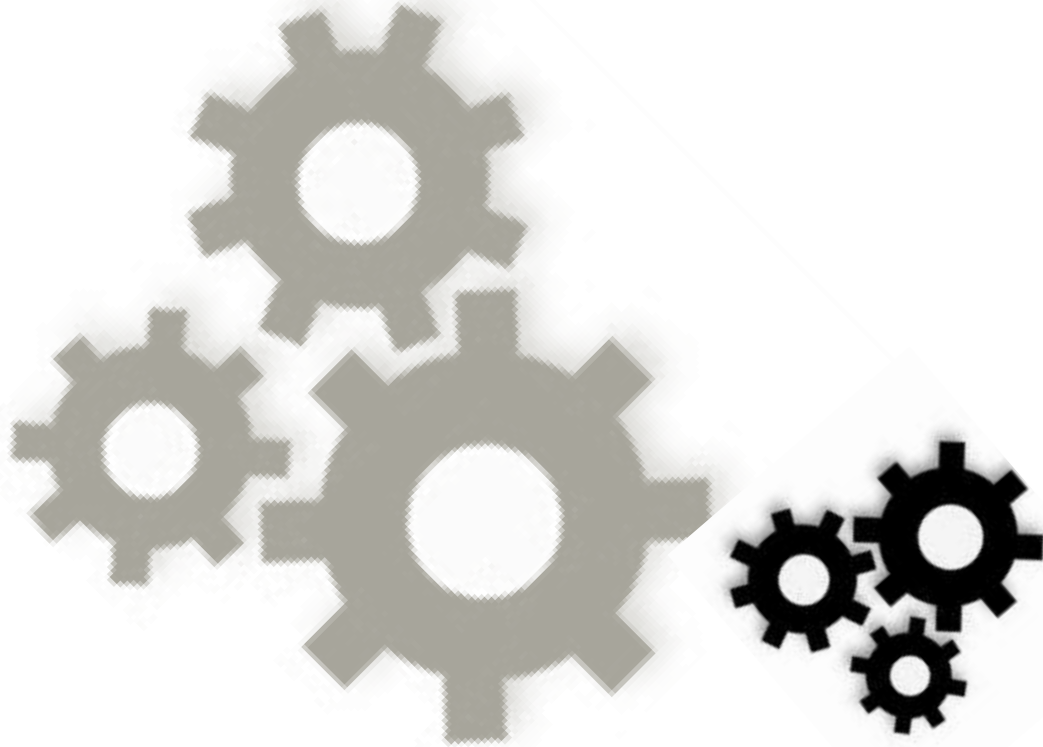
	Exec. Director	Non-Exec. Director	Indep. Director
Board Meeting Fees - Per Meeting	39,600	62,857	55,556
Board Annual Retainer Fees	995,000	646,875	873,333
Board Profit Share - Annual	7,417,201	6,739,249	2,934,697
Committee Meeting Fees - Per Meeting	35,600	35,600	35,600
Committee Retainers Fees - Annual	238,500	257,750	275,429
Annual Average	9,314,601	8,567,608	4,901,902

EO 24: Compensation for GOCC Directors

	A	B	C	D	E
Assets	>P100B	P25-100B	P5B-25B	P1-5B	<P1B
Revenues	>P10B	P2.5-10B	P.5-2.5B	P.1-.5B	<P.1B
Per Diem/ Board mtg	P40,000	P20,000	P15,000	P10,000	P5,000
Maximum BMPD/Yr	P960,000	P480,000	P360,000	P240,000	P120,000
Per Diem/ Comm mtg	P24,000	P12,000	P9,000	P6,000	P3,000
Maximum CMPD/Yr	P576,000	P288,000	P216,000	P144,000	P72,000

Plus: Performance incentives, Transport expenses to and from meetings, Travel expenses for official travel, Communications expenses, Meals during business meetings. NO annual retainers nor stockplans.

Board Processes



900

Board Processes

- Board Policies
- Meeting Management
- Conflicts Resolution
- Board Performance Evaluation
- Management Oversight
- Disclosures
- Content of Board Meetings
- Etc.

Management Topics for the Board

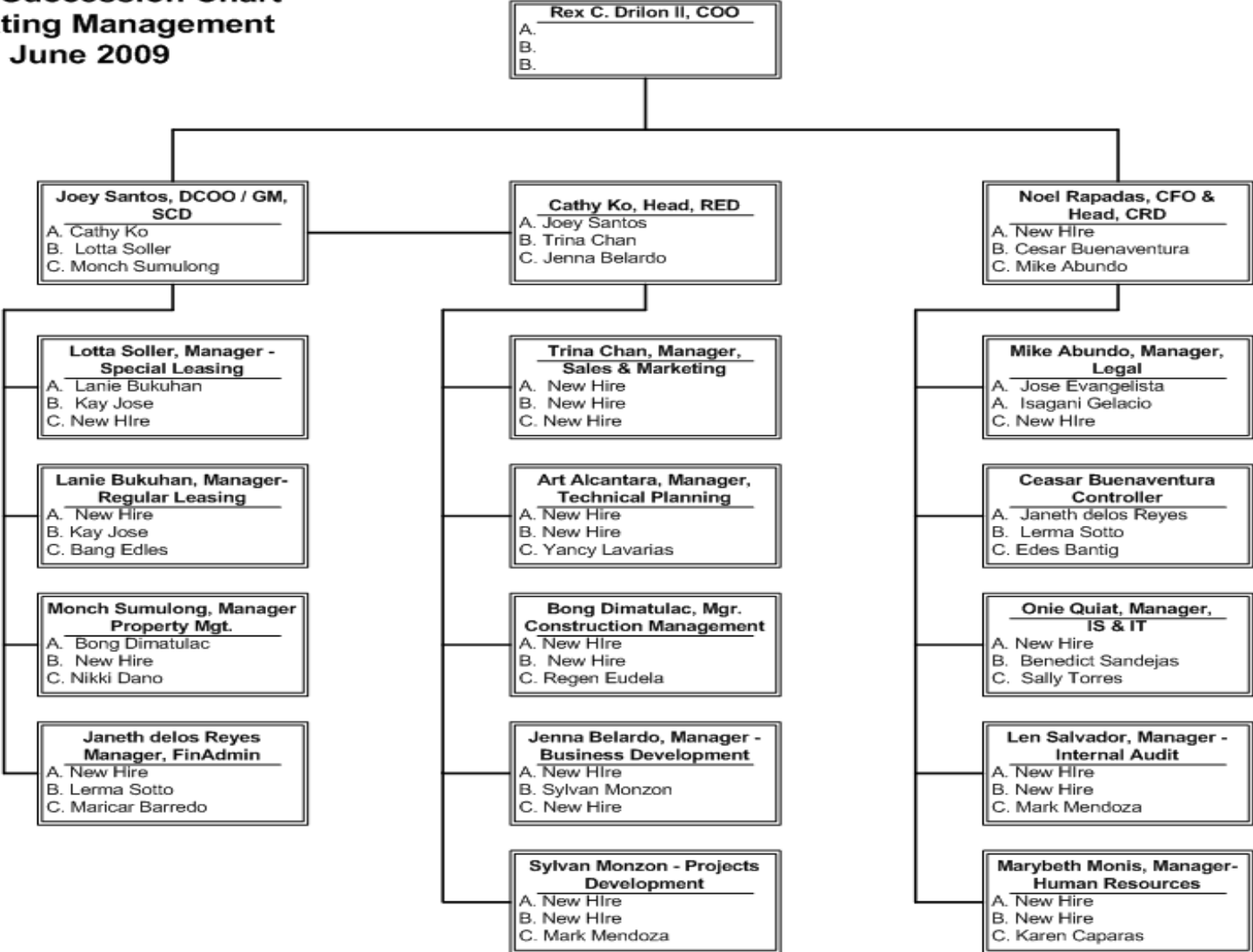
Normal Agenda	January	Human Resources Issues
Quorum	February	Risk Management
Minutes	March	Internal Auditor's Report
Items Arising out of previous minutes	April	Management Succession
	May	Industry Situationers
Management Reports	June	Market/Marketing Issues
Financial	July	5-year Strat/Bus. Plan
Operations	August	Projects Review/Update
Others	September	Tax Plan
Summary of approvals		
Other Matters	October	Policies Review/Updates
Special projects/items	November	Next Yr Oplan and Budget
Strategy updates / issues (Management Topics)	December	Corp Gov. & Corp. Social Responsibility

Succession Plan

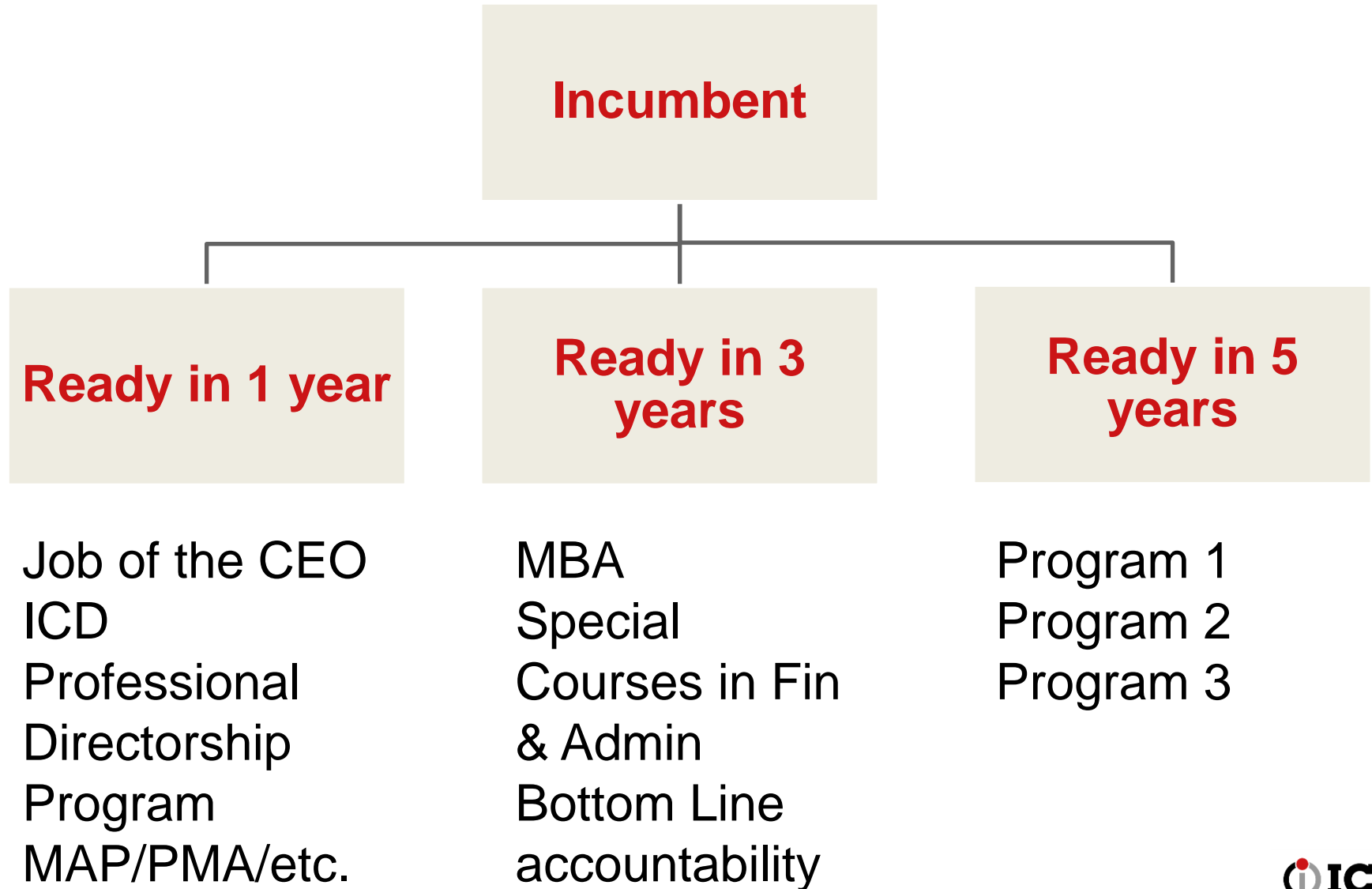
OCLP Succession Chart Operating Management June 2009

Legend :

Incumbent, Position
 A. Ready within 1 yr
 B. Ready in 2-3 yrs
 C. Ready in 4-5 yrs.



Typical Succession Chart



Performance Evaluation

- The Board of Directors
- The Individual Directors
- The Chairman
- The Chief Executive Officer
- The Corporate Secretary
- The Board Committees

Key Questions to ask (Beverly Behan)

Board Evaluation

- What are the strengths of the Board?
- What was the Board's greatest contribution during the period?
- What are the Board's areas for improvement?
- If you could change anything with the Board what would you change and why?

Director Evaluation

- What are the strengths of the director?
- What was his/her greatest contribution to the Board's performance?
- What are his/her areas for growth?
- If he/she needs to change anything what should it be?

Performance Evaluation System (PES) for the GOCC Sector

Purpose:

- (a) Performance-Based Incentives;
- (b) Eligibility for Reappointment;
- (c) GOCC status (ie. Reorganized, merged, streamlined, abolished or privatized)

Checklist:

- (a) Charter Statement and Strategy Map;
- (b) Performance Scorecard;
- (c) Strategic Initiatives
- (d) Board Resolution

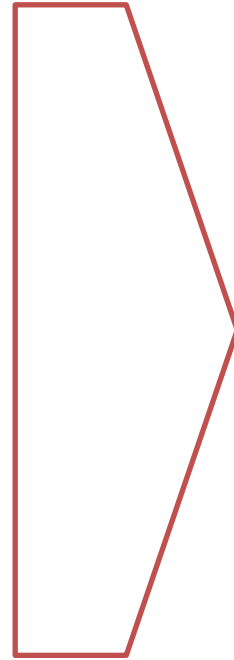
4. Loyalty

- The Board of Directors is duty-bound to decide and act always in the best interests of the corporation.
- It is vested with fiduciary duties and called upon, by law, to discharge with care and the due diligence of any prudent trustee.
- ***Loyalty to the corporation takes precedence over other loyalties and above personal, other narrow interests of privileged parties.***

From Loyalty to Road Map



Road Map



Articulates vision

Sets strategic direction



VISION: By 2020, the GCG shall have transformed the GOCC Sector into a significant tool of the State in the attainment of inclusive economic growth and development.

MISSION: The GCG is an efficient and effective central advisory, oversight, and monitoring body with authority to formulate and implement policies in the active exercise of the State's ownership rights over GOCCs, thereby ensuring their financial viability and fiscal discipline, through adherence to the highest standards of corporate governance.

CORE VALUES:

- Integrity
- Professionalism
- Independence
- Love of Country

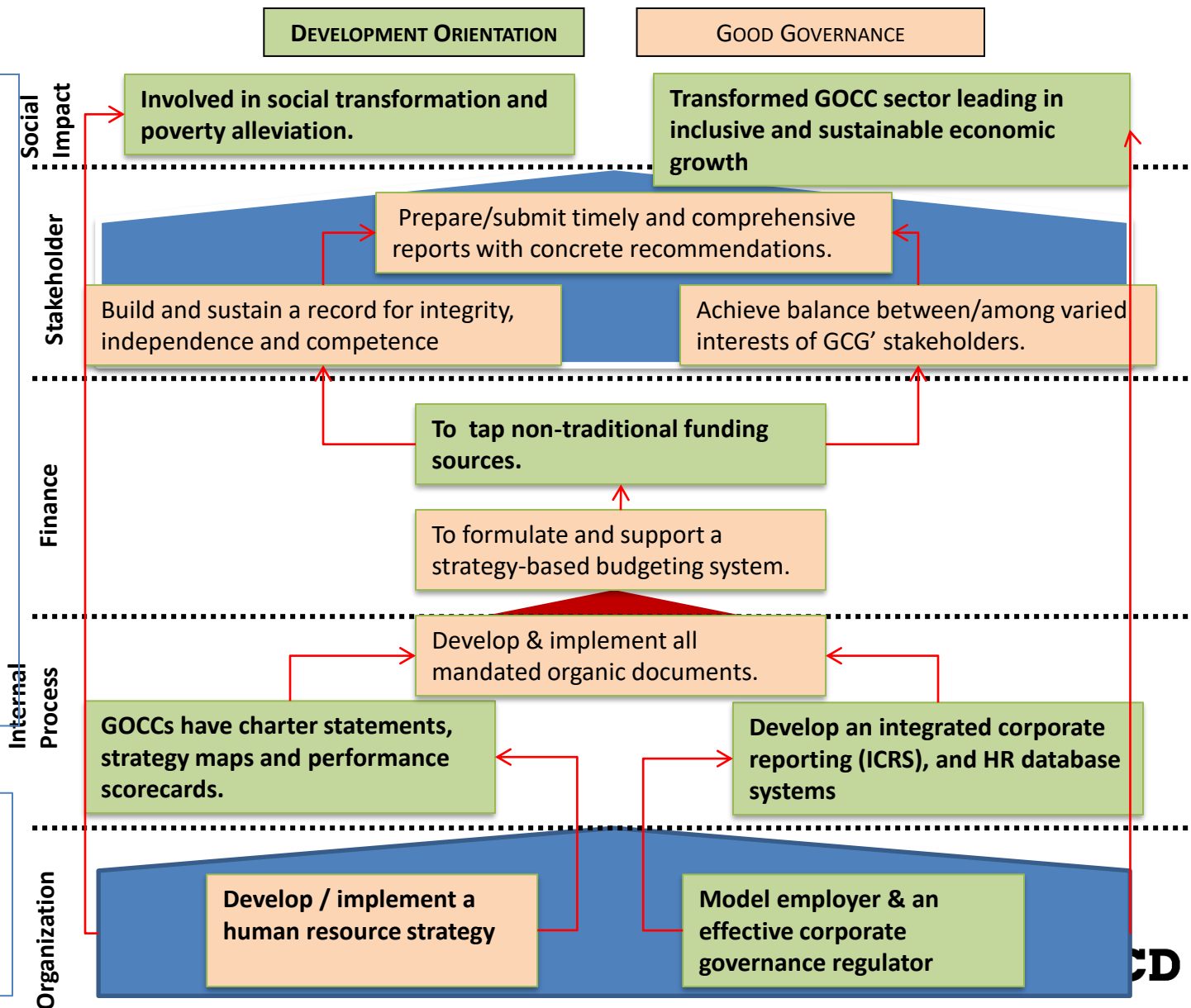




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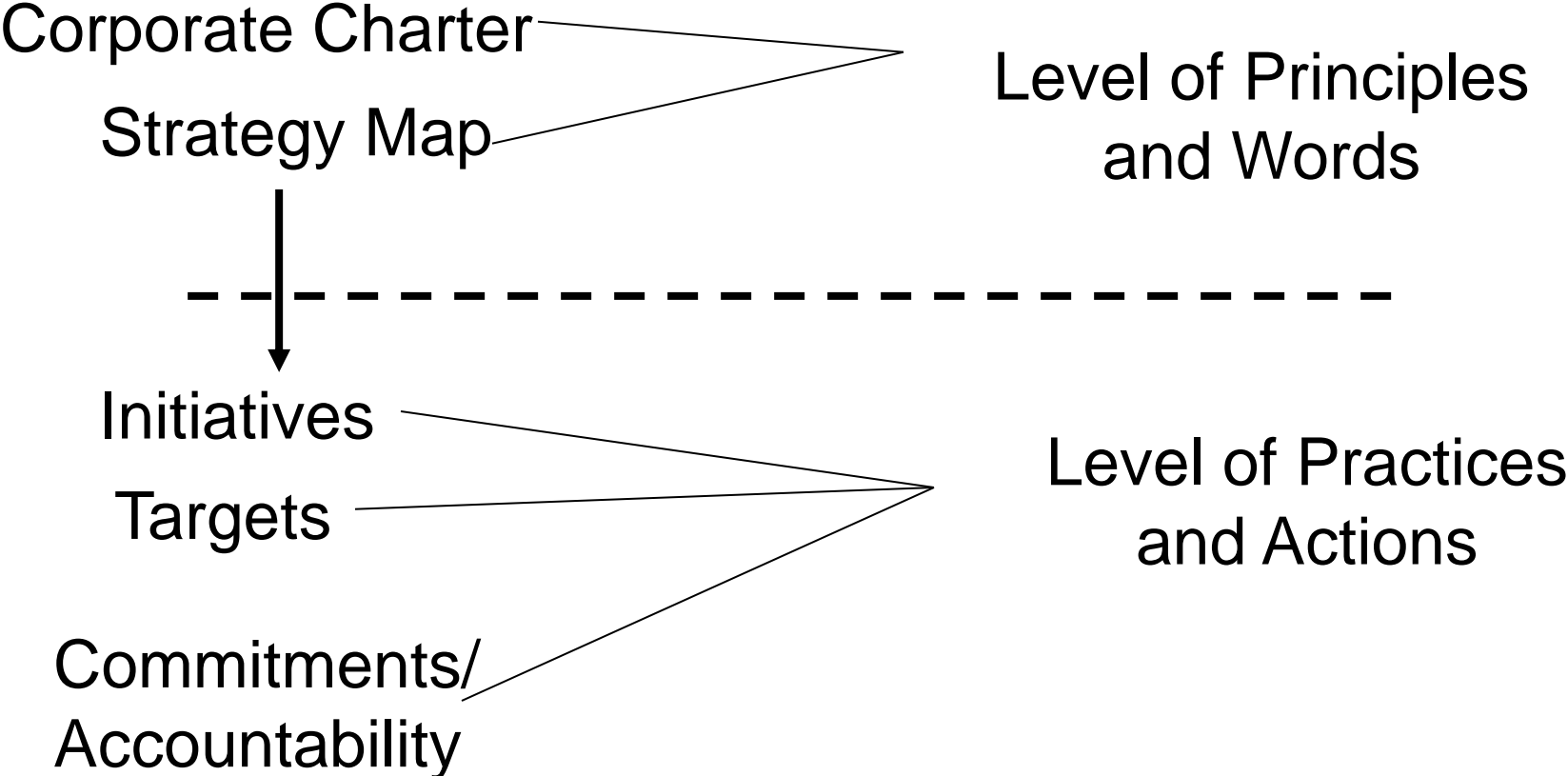
- CORE VALUES:**
- Integrity
 - Professionalism
 - Independence
 - Love of Country



5. Long-Term Viability

- The Board of Directors is ***duty-bound to decide and act*** always with the long-term viability of the corporation in mind.
 - ***The Board is the Head of the corporation***
- ***The Board delegates*** to a full-time CEO and management team its responsibility for virtually all of the day-to-day operations and other short-term concerns of the corporation.

From Viability to Strategic Priorities





VISION: By 2030, DPWH is an effective and efficient government agency, improving the life of every Filipino through quality infrastructure.

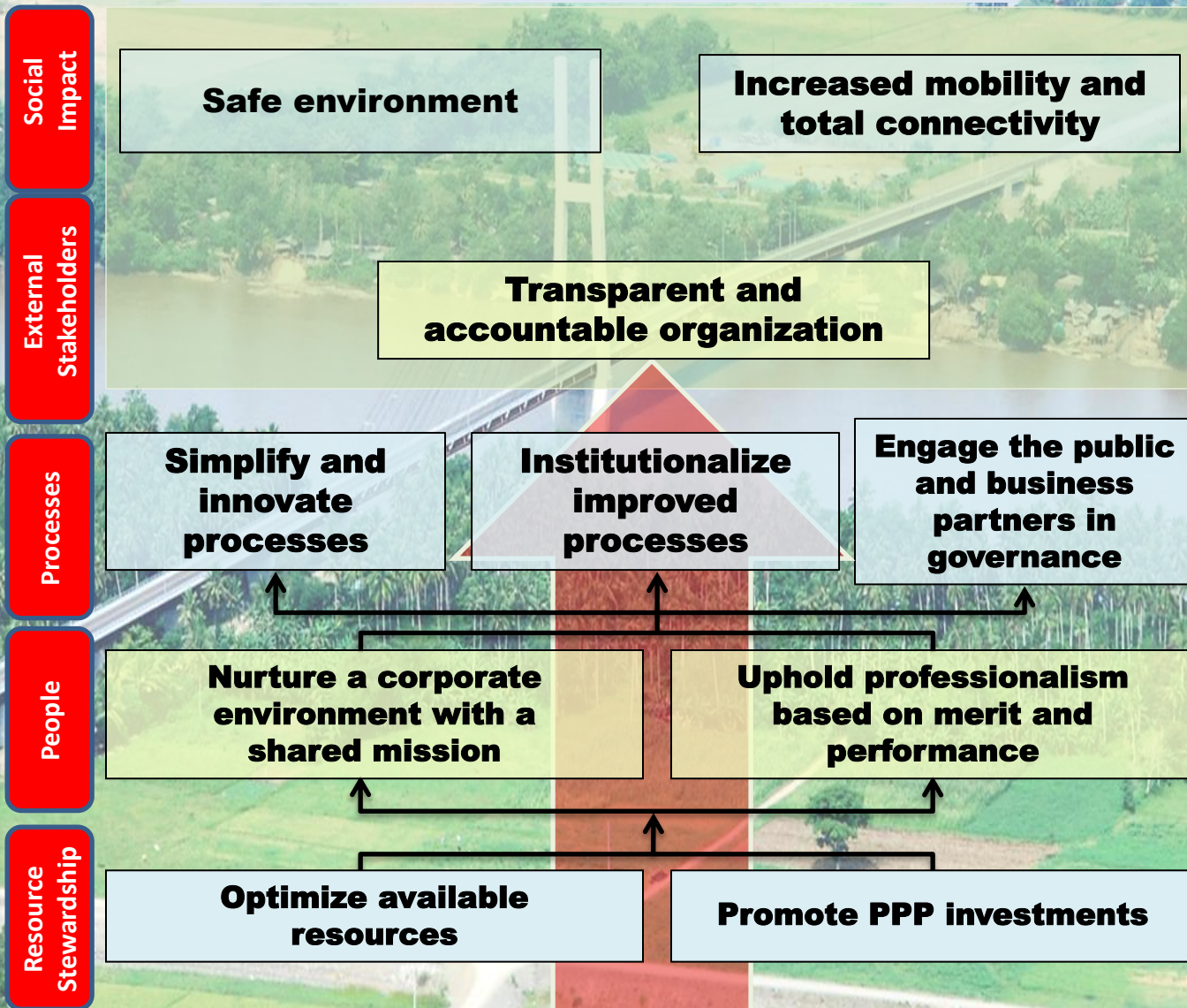
Right Project. Right Cost. Right Quality. Right People

MISSION

To provide and manage quality infrastructure facilities and services responsive to the needs of the Filipino people in the pursuit of national development objectives.

CORE VALUES

Public Service
Integrity
Excellence
Professionalism
Teamwork



2011 ACCOMPLISHMENTS

P	STRATEGIC OBJECTIVES		MEASURES	2010	2011		TARGETS		
				ACTUAL	TARGET	ACTUAL	2012	2016	
Social Impact	A	Increased mobility and total connectivity	1	% of National Road Network paved (Total Length - 31,242 Km)	80.9% (25,281)	83% (25,916)	82.8% (25,879)	85.7% (26,778)	100% (31,242)
			2	% of bridges along national roads made permanent (Total Length - 345,978 Lm)	96% (332,139)	96.8% (335,043)	96.4% (333,597)	97.5% (337,329)	100% (345,978)
			3	Km of arterial roads with an International Roughness Index (IRI) of 3	NA	1,400	No data	1,400	6,600
	B	Safe Environment	4	Percentage of flood protected area (identified major and principal river basins)	11.9%	12.8%	12.8%	13.5%	19.7%
			5	% of national roads and bridges covered by iRAP safety audits	5%	15%	18%	31%	55%
ES	C	Transparent and accountable organization	6	Bantay Lansangan Road Sector Report Card Rating	NA	C+	No rating	B-	B+
Processes	D	Engage the public and business partners in governance	7	Resolution of valid stakeholders complaints, inquiries and concerns	60%	80%	96%	95%	95%
			E	Institutionalize improved processes	8	Number of ISO Certified Offices	0	0	0
	F	Simplify and innovate processes	9	Absorptive Capacity	84%	86%	71%	87%	90%
			10	Percentage compliance to prescribed documents processing timelines	92%	95%	86.2%	95%	98%
People	G	Nurture a corporate environment with a shared mission	11	Internal Stakeholders Approval Rating	65%	75%	No rating	80%	95%
			12	External Stakeholders Perception Rating	32% (2009)	30%	18.2%	20%	10%
	H	Uphold professionalism based on merit and performance	13	Composite Performance Index	60%	65%	70%	75%	85%
			14	Percentage of accredited personnel in selected occupational groups	55%	60%	55%	60%	80%
Resource Stewardship	I	Optimize available resources	15	Percentage of adherence to programming criteria based on existing planning applications	50%	60%	69%	70%	90%
			16	Percentage of projects completed within time and budget	55%	60%	79.4%	80%	85%
	J	Promote PPP investments	17	Length of (constructed) Expressway (Km)	286	326	307	324	427

6. Fairness

- The Board of Directors must ***treat all Shareholders equitably*** and must give to all stakeholders their due.

7. Accountability

- The Board institutes a ***system of accountability***
 - On the basis of transparent, truthful reports, the Board measures performance, gives out ***rewards*** and ***punishments***. It also properly ***manages risks***.

8. Transparency

- In order to be fair, and for the stakeholders to know it, the Board must be *transparent*.
- There is a need *for truth and integrity* in all aspects of corporate operations and in reporting on them.

Bringing “FAT” to the Policy Level

Fair Treatment
of
Stakeholders

Accountability
Systems

Monitoring
and Reporting
Systems

9. Ethics

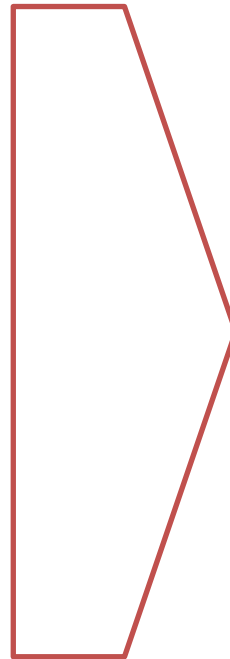
- ***The Board sets the tone at the top.***
 - All its strategies and policies, its decisions and actions must signal a deep and operative ***commitment to ethics*** and ***compliance with laws and regulations.***
- ***The Board should ultimately serve not only as the “head” but also as the “conscience” of the corporation.***

From Ethics to Code of Ethics

The Board is the **conscience** of the corporation.



**Code of
Ethics**



Norms of ethical behavior

Culture of compliance

Commitment to professional standards

10. Social Responsibility

- The corporation is a creation of the state to serve specific public purposes.
- The corporation serves as an **instrument for the common good**.

From Social Responsibility to CSR



Service to Filipinos

Integral to all decisions and actions

Civic duty

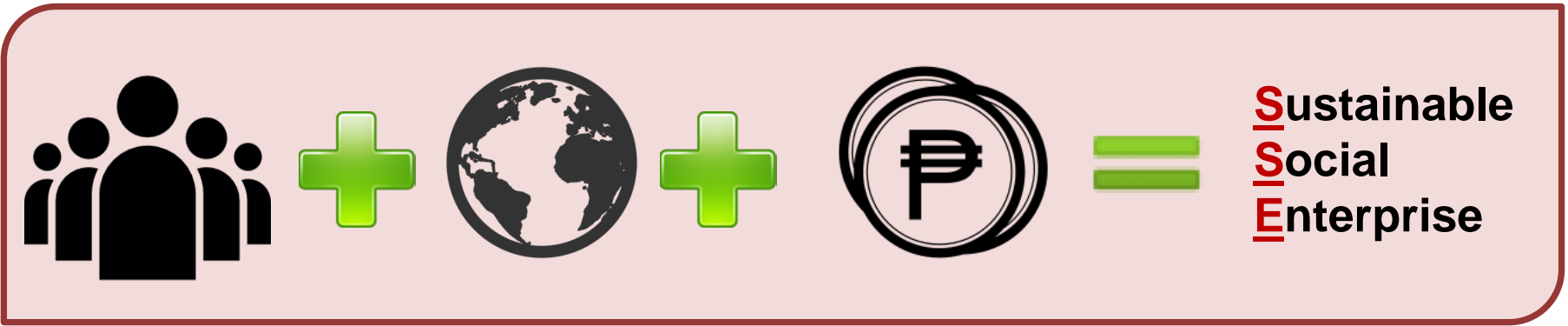
Genuine commitment to the over-all environment

Real contribution to social, economic, political progress

11. Sustainability



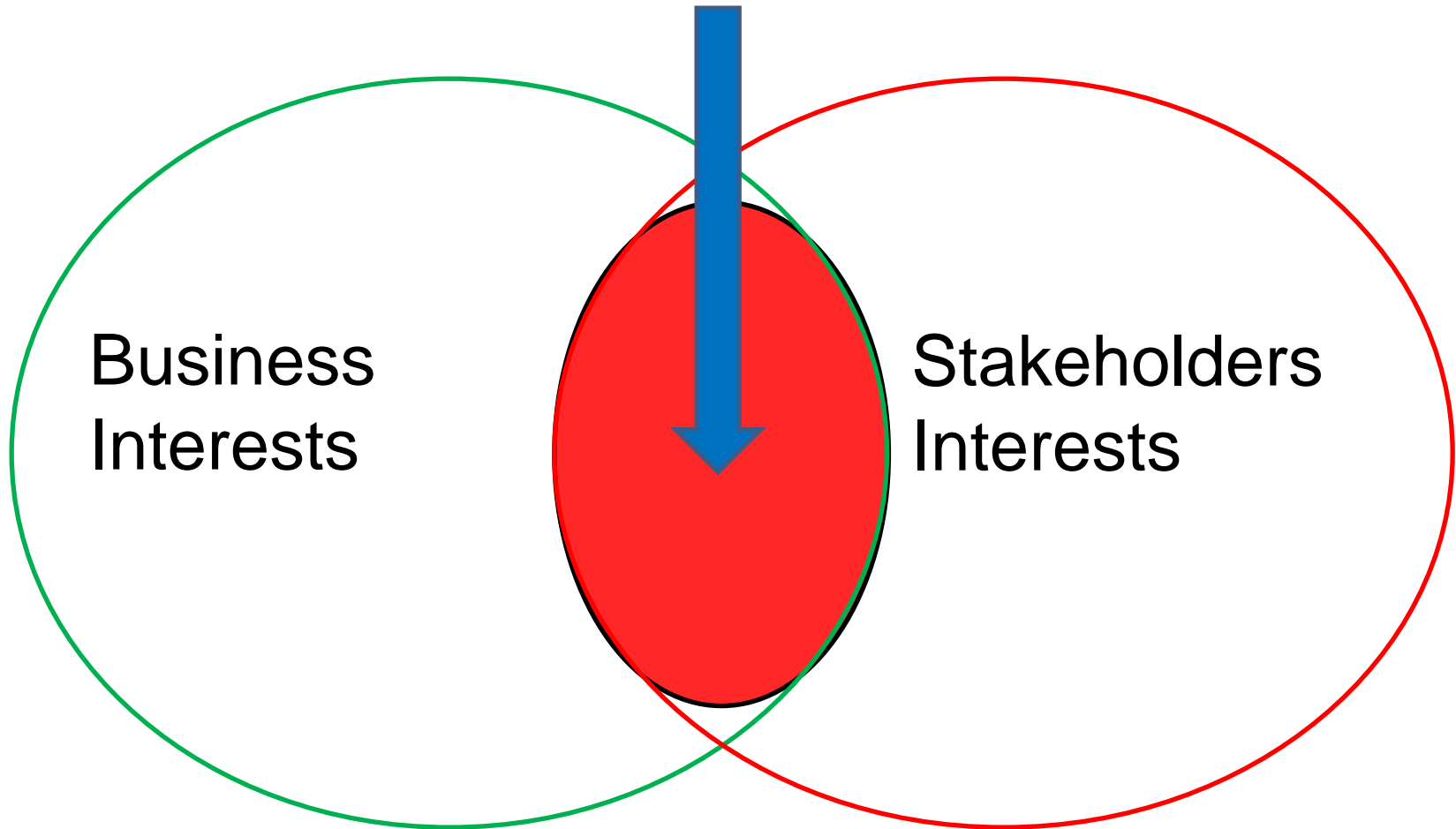
SUSTAINABILITY equals Triple Bottom Line



Possible Triple Bottom Line Measures

Financial	Environmental	Social
Profitability/growth	Energy Usage Enercon	CSI, ICSI Living the values
Taxes Paid Recovery of assets	Waste mgmt Waste treatment and disposal	Corporate image and reputation (survey)
Cash Flow	Quality measures	Prices/Terms
Dividends Customer traffic Return on Customers	Carbon footprint, air and water quality	Risk Index Employee Satisfaction Index

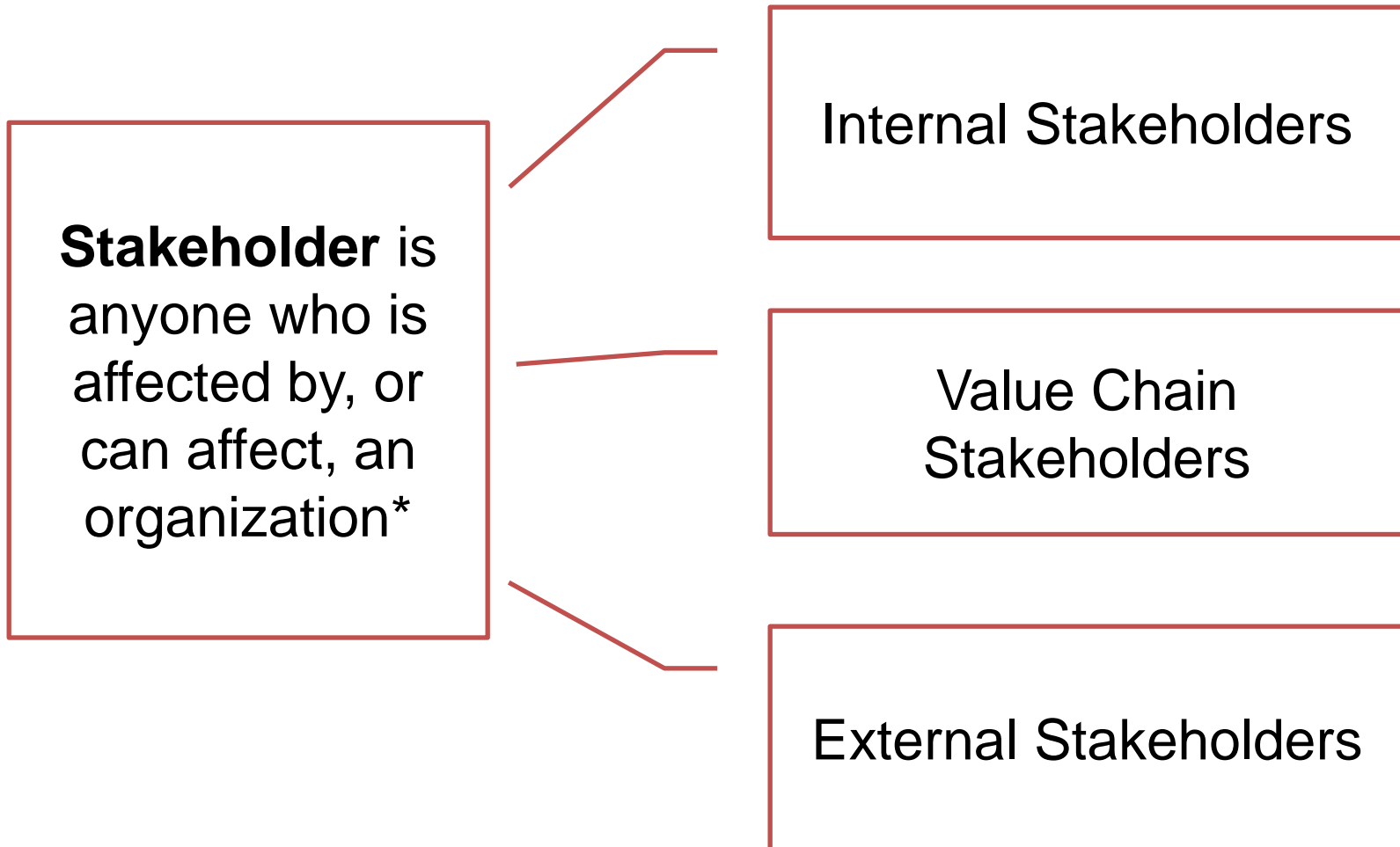
The Sustainability Sweet Spot



The Sustainability Sweet Spot

- Where margin meets mission
- Where profit meets the common good
- Where business interests meet stakeholders interests

Stakeholders



Stakeholder Matrix (Prof. Edward Freeman)

Stakeholder Category	Stakeholders	Interests
Internal	Management Regular staff Outsourced staff	Competitive comp/benefits Job security Work-life balance Safe, clean, pleasant workplace Development Meaningful employment
Value Chain	Suppliers Bankers/Creditors Customers Other customers	Fairness, transparency Prompt payment Value for money Mutually beneficial relationship
External	Government Media Investors Community	Reg. compliance, right taxes Truthfulness, timeliness Dividends, FAT, Governance Ethics, Social Responsibility, Sustainability, Governance

For championing Social
Responsibility and
Sustainability,

*The Board is the heart of the
corporation.*

Pope Francis on CSR and Sustainability

- In the encyclical "Laudato Si", Pope Francis pulled no punches when lamenting pollution, climate change, lack of clean water, loss of biodiversity and an overall decline in human life and a breakdown of society. **"Never have we so hurt and mistreated our common home as we have in the last 200 years."**
- He describes a relentless exploitation and destruction of the environment, for which he blamed apathy, the reckless pursuit of profits, excessive faith in technology and political shortsightedness.
- He insists that the world **"must hear both the cry of the earth and of the poor."** He asks why do we allow "20% of the world population to consume resources at a rate that robs the poor and the poor nations and future generations of what they need to survive?"

11 Principles and Practices of Good Corporate Governance

Principles	Practices
1. Independence	1. Charter (VMV)
2. Rights and Duties	2. Code of Governance
3. Original Power to Decide	3. Board Protocol
4. Loyalty to the Corporation	4. Roadmap
5. Long-Term Viability	5. Strategy and BSC
6. Fairness	6. Policy Rule
7. Accountability	7. Audit and Risk Oversight
8. Transparency	8. Monitoring Role
9. Ethics	9. Code of Ethics
10. Social Responsibility	10. Code of Social Responsibility
11. Sustainability	11. Code of Sustainability (Env.)

Important Points to Remember

- The Board needs to set the tone at the top
- The Board is the **head**, the **conscience** and the **heart** of the corporation
- While these principles are centered on the Board, support is needed from the management
- Definite and clear guides to action need to be set and cascaded
- An ethical, socially responsible culture from within, at all levels

Governance is for Governors and Governed

- The focus on those who govern, the Board of Directors.
- The participation of those governed, the officers and staff.
- A culture: principles, practices, operations, decisions and actions at all levels at the top
- Good Governance. At every level of the corporate ladder (responsible citizenship).

ALEX LACSON'S 12 Ways to Help our Country

1. Follow traffic rules. Follow the law
2. Always ask for an OR
3. Don't buy smuggled goods (50-50)
4. Speak positively about us
5. Respect your traffic officer, policeman and soldier
6. Do not litter

7. Support your church
8. During elections, do your solemn duty
9. Pay your employees well
10. Pay your taxes
11. Adopt a scholar or poor child
12. Be a good parent

DRILON'S 23

1. Pay their taxes, the right taxes.
2. Treat their employees well.
3. Lead balanced, wholesome lives.
4. Take care of the environment.
5. Document all first-hand experiences with corruption.
6. Do not bribe to get favors.
7. Support their church.
8. Support their alma mater.
9. Control consumption.
10. Save money.
11. Give generous tips.
12. Join advocacy groups.
13. Take care of their health.

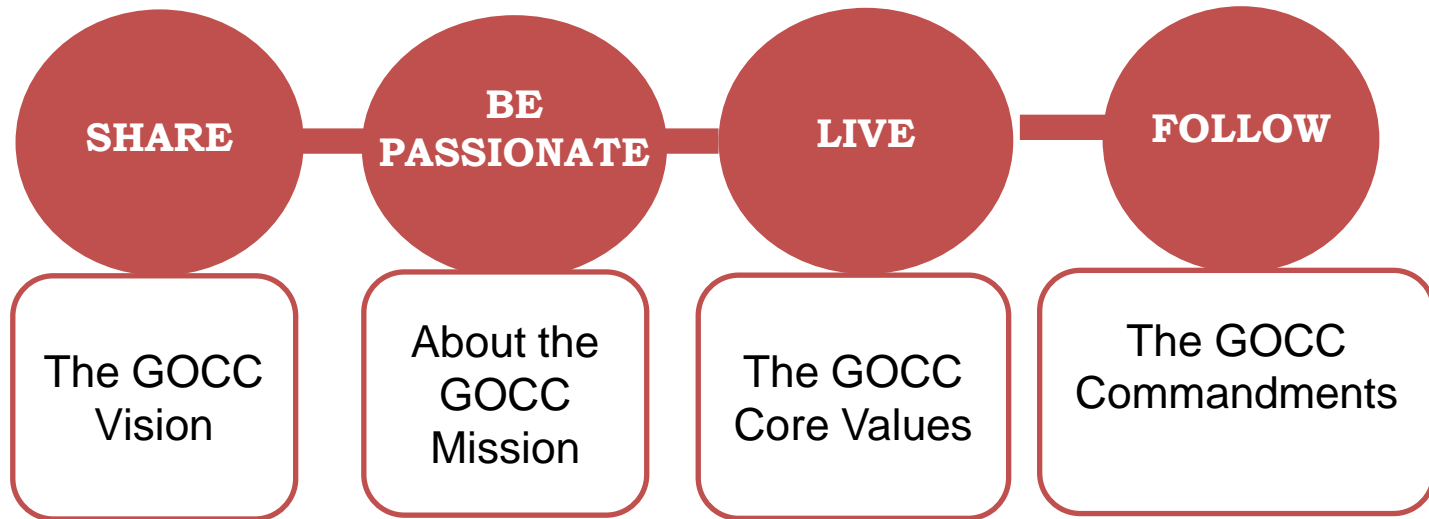
14. Volunteer. Help the city. Help the poor.
15. Pray, practice their faith.
16. Love their town, their city, their country.
17. Hold their leaders accountable.
18. Assert their rights but at the same time fulfill their duties.
19. Follow traffic rules, observe road courtesy.
20. Follow rules, obey laws, avoid shortcuts.
21. Register to vote, Vote, vote wisely, make sure vote is counted and don't sell vote
22. Take pride in being Filipino.
23. Do not wait. They just do it!

Responsible Citizens...

are children of God
are patriots of their country
are devoted family men/women
lead balanced lives
are persons of character

...for the Common Good

Responsible Corporate Citizens



1120

930



What About the GOCCs?

The GOCC Corporate Governance Act

- Coverage: GOCCs, GICPs*, GCEs* and GFIs
- Excludes: BSP, SUCs, Coops, Research Institutions, MECO, Ecozones and LWDs
- Magnitudes
 - 28% of National Government expenditures
 - Combined assets of \$ 125 Billion
 - Of total NG receivables of \$10.5 Billion, 91% are due from GOCCs
- Creates the Governance Commission for GOCCS (GCG)
- Composed of a Chairman (rank of Department Secretary) and 4 members, 2 of which are ex-officio members (DOF and DBM secretaries)

*Government Instrumentalities with Corporate Powers (GICP) and Government Corporate Entities (GCE) such as: MIAA, PPA, PDIC, MWSS, LLDA, BCDA, etc.

The Governance Commission for GOCCs (GCG)

- Central advisory, monitoring and oversight body
- Tasked to formulate, implement and coordinate policy
- With the “awesome” powers and functions, among others, to evaluate performance and determine relevance of the GOCC and to ascertain whether such GOCC should be:
 - Reorganized
 - Merged
 - Streamlined
 - Abolished or
 - Privatized

THE GOCC SECTOR

Number of GOCCs

	Number of GOCCs
List of GOCCs in 2011	157
- Excluded from R.A. 10149*	20
+ “Discovered” GOCCs	24
- PCGG-supervised	13
- Classified as Abolished/Dissolved	31
= Current GCG Coverage	117

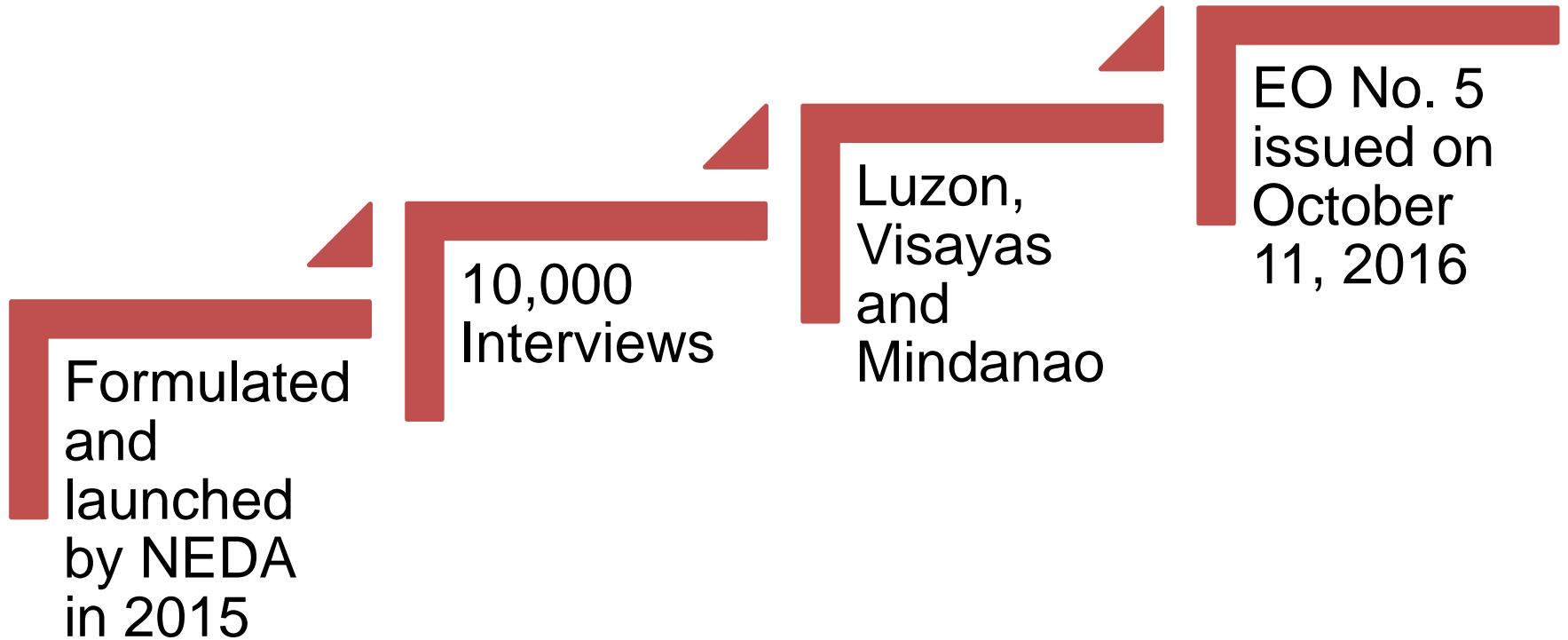
A Bit of Background

- Horror stories in the past about GOCCs
- Rationalization of GOCC board compensation
- Enactment of RA 10149, creation of GCG with awesome powers
- GCG as “owner representative”
- Alignment to developmental goals

Alignment to Development Goals

- 1. Ambisyon Natin 2040 or Our Vision of the Philippines 2040**
- 2. The 10-Point Socio Economic Agenda**
- 3. Updated Philippine Development Plan**
- 4. The GCG Vision**

AmBisyon Natin 2040



Vision of the AmBisyon Natin 2040

- **Vision of the Filipino for Self:** In 2040, we will all enjoy a stable and comfortable lifestyle, secure in the knowledge that we have enough for our daily needs and unexpected expenses, that we can plan and prepare for our own and our children's future. Our family lives together in a place of our own, yet we have the freedom to go where we desire, protected and enabled by a clean, efficient and fair government.
- **Vision of Filipinos for the Philippines:** The Philippines shall be a country where all citizens are free from hunger and poverty, have equal opportunities, enabled by fair and just society that is governed with order and unity. A nation where families live together, thriving in vibrant, culturally diverse and resilient communities.

Priority Sectors Impacting AmBisyon 2040

1. Housing and Urban Development
2. Manufacturing
3. Connectivity
4. Education Services
5. Tourism and Allied Services
6. Agriculture
7. Health and Wellness Services
8. Financial Services

The 10-Point Socio Economic Agenda of this Administration

1. Continue and **maintain current macroeconomic policies**, including fiscal, monetary, and trade policies.
2. Institute progressive **tax reform** and more effective tax collection, indexing taxes to inflation.
3. Increase **competitiveness and the ease of doing business**.
4. Accelerate annual **infrastructure** spending to account for 5% of GDP, with Public-Private Partnerships playing a key role.
5. Promote **rural and value chain development** toward increasing agricultural and rural enterprise productivity and rural tourism.
6. Ensure **security of land tenure** to encourage investments, and address bottlenecks in land management and titling agencies.
7. Invest in **human capital development**, including health and education systems, and match skills and training.
8. Promote science, technology, and the creative arts to enhance **innovation and creative capacity**.
9. Improve **social protection** programs, including the government's Conditional Cash Transfer program.
10. Strengthen implementation of the **RPRH Law**

The Philippine Development Plan

The Philippines will be an upper middle income country by 2022.

Attain GDP growth of 7% to 8% by 2022.

Decrease poverty rate from 21.6% to 14% by 2022.

Decrease poverty incidence in rural areas from 30% to 20% by 2022

Reduce unemployment from 5.5 to 3 by 2022

The Philippine Development Plan and Ambisyon 2040

2040



FILIPINOS ENJOY STRONG BONDS WITH FAMILY AND FRIENDS, A COMFORTABLE LIFESTYLE AND SECURE FUTURE

2022



TO LAY DOWN THE FOUNDATION FOR INCLUSIVE GROWTH, A HIGH-TRUST AND RESILIENT SOCIETY, AND A GLOBALLY-COMPETITIVE KNOWLEDGE ECONOMY

“MALASAKIT”
ENHANCING
THE SOCIAL
FABRIC

“PAGBABAGO”
INEQUALITY-
REDUCING
TRANSFORMATI
ON

“PATULOY NA
PAGUNLAD”
INREASING
GROWTH
POTENTIAL

development

Ensure
and b
resilience

SO, WHAT IS A WELL-GOVERNED GOCC?



THE 10 CORPORATE GOVERNANCE GUIDELINES FOR PUBLICLY-LISTED COMPANIES IN ACCORDANCE with THE PHILIPPINE STOCK EXCHANGE (PSE)

945

The PSE Guidelines

- Issued in November 2010
- Review of OECD Principles and CG Practices in 40 countries
- Inputs from ICD and other IODs in the region
- Vetted among global CG experts referred by the Global Corporate Governance Forum (GCGF) of the WB/IFC
- 65 Best practice recommendations
- Basis for the PSE Bell Awards

SELF EVALUATION

No.	Criteria	Now	Can Be	SQ*
1	Sound business strategy			
2	Well-structured, functioning Board			
3	Robust internal control system			
4	Enterprise risk management			
5	Integrity of financial reports			
6	Shareholder rights protection, especially minority or non-controlling group			
7	Global standard disclosure and transparency			
8	Respect and protection of other stakeholders' rights (customers, employees, community, environment etc)			
9	Does not engage in abusive Related Party Transactions and insider trading			
10	Culture of ethics, compliance and enforcement			

*D>95, E90-94, VG85-89, A80-84, M75-79, P<75

100 SCALE

Distinguished	95 and above
Excellent	90 – 94
Very Good	85 – 89
Adequate	80 – 84
Marginal	75 – 79
Poor	Below 75

SELF EVALUATION

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- Shareholder return is optimized through a sound and well-executed strategy
- Best practice recommendations:
 - Clearly defined vision, mission and core values
 - Well developed business strategy
 - Engaged Board in strategic business issues discussions

SELF EVALUATION

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- A well-functioning board creates value for the enterprise
- Best practice recommendations:
 - Board composed of directors of proven competence and integrity
 - Have a separate Chairman and CEO who are not related to each other
 - Have at least 3 or 30%, whichever is higher, of its directors as independent directors

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- Internal audit and controls enhance operational effectiveness, deter fraud, safeguard company assets, and ensure compliance

- Best practice recommendations:
 - Establish the internal audit function as a separate unit in the company which would be overseen at the Board level

- A mechanism that allows employees, suppliers and other stakeholders to raise valid issues

SELF EVALUATION

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- An enterprise-wide Risk Management system should be in place and properly functioning in a transparent manner
- Best practice recommendations:
 - Board oversees the company's risk management function
 - Formal risk management policy that guides the company's risk management and compliance processes and procedures

SELF EVALUATION

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1	Sound business strategy
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6	Shareholder rights protection, especially minority or non-voting shares
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8	Respect and protection of other stakeholders' rights (employees, environment etc)
9	Does not engage in abusive Related Party Transactions and insider trading
10	Culture of ethics, compliance and enforcement

- Financial reports must represent a fair and true condition of the company
- Best practice recommendations:
 - Board audit committee approve all non-audit services conducted by the external auditor
 - Audit Committee to conduct regular meetings and dialogues with the external audit team without anyone from management present

SELF EVALUATION

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- The exercise of shareholders' basic political, economic and governance rights should be facilitated in an equitable and timely manner
- Best practice recommendations:
 - Adopt the principle of "one share, one vote"
 - Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings

SELF EVALUATION

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- Material information should be disclosed fully, fairly, timely and accurately
- Best practice recommendations:
 - Written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations
 - Disclose details on shareholders agreements, director and executive compensation policy, annual and quarterly consolidated reports, etc.

SELF EVALUATION

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- Corporations should manage the social, environmental and governance aspects of its operations
- Best practice recommendations:
 - Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders
 - Have in place a workplace development, community involvement and environment-related programs

SELF EVALUATION

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10	Culture of ethics, compliance and enforcement

- Abusive related party transactions and insider trading undermine the trust and confidence on the company as well as prejudices non-controlling shareholders' interests

- Best practice recommendations:
 - Develop and disclose a policy governing the company's transactions with related parties

- Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimise or transactions that need to be reported or announced , those that need to be disclosed, and those that need prior shareholder approval

SELF EVALUATION

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8	Respect and protection of other stakeholders' rights (employees, community, environment etc)
9	Does not engage in abusive Related Party Transactions and insider
10	Culture of ethics, compliance and enforcement

- Corporate and employee actions should be conducted according to the highest ethical and professional standards at all times
- Best practice recommendations:
 - Formally adopt a code of ethics and proper conduct that guides individual behaviour and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel
 - Have a clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying, and receiving bribes

The Next Steps for GOCCs...beyond Compliance

- Establish the Governance Baseline, using the PSE Guidelines for well-governed companies
- **Corporate Board Retreat with the senior management team to craft/update the GOCC Governance Charter (VMV), the Roadmap for the future (e.g. 2040 with 2022 milestone) and the GOCC Performance Scorecard**
- Form the Technical Working Group (TWG)
- Work on the 3 Priority Corporate Governance Improvement program

Strategy Execution Pathway (StEP)

A Framework for governing and managing organizations **beyond** compliance with laws, rules and regulations.

It covers both strategy formulation and strategy execution.

Strategy Design

1. Review of Vision
Mission and Values

2. Articulate
strategic
imperatives

3. Customize
strategic questions
for perspectives

4. Identify
strategic
objectives

5. Articulate
strategic themes

6. Draw the cause
and effect

7. Craft the
Strategy Map

8. Identify
strategic measures

9. Set targets and
note baselines

10. Identify
strategic initiatives

11. Prioritize
strategic initiatives

12. Complete
Profiles

STRATEGY EXECUTION

Executing the Strategy and Monitoring the Execution

13. Communicate
the Strategy

14. Cascade and
Align subsidiary
roadmaps and
scorecards

15. Integrate with
systems and
processes

16. Drive
accountability

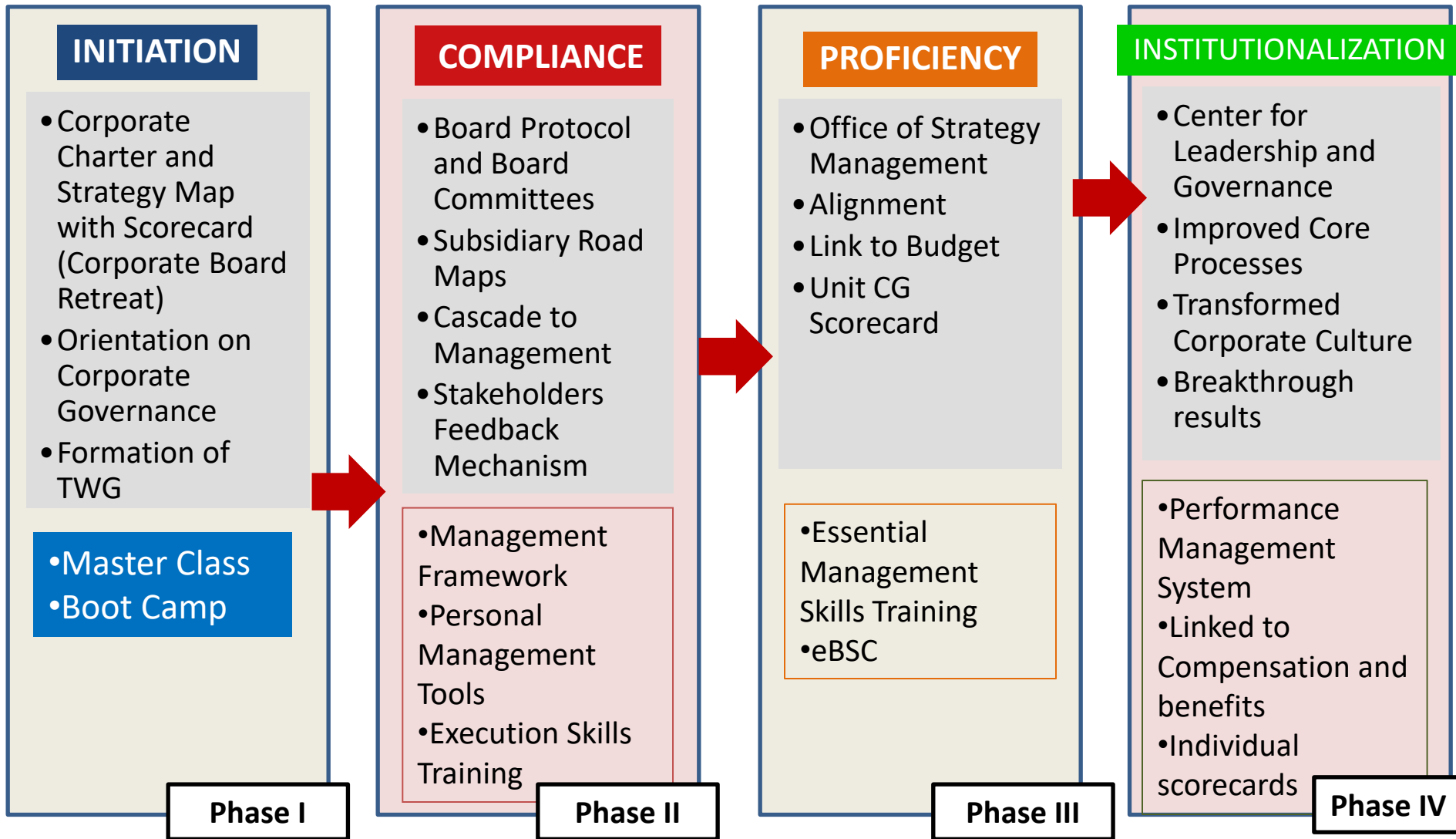
17. Monitor
execution

18. Refresh the
strategy

18. Engage the
people for change

19. Sustain
breakthrough
performance

The Strategy Execution Pathway



ICD Programs

Governance Orientation

- Corporate Governance Orientation Program (CGOP)
- CGOP for GOCCs

Masters Class

- Professional Directors Program (PDP)

Special Courses

- Distinguished Corporate Governance Speaker Series
- Corporate Secretaries
- Family-Owned Controlled Corporations
- Audit / Risk
- **Personal Governance Workshop**

Board Services

- Corporate Board Retreat

The Individual: The Ultimate Governance Asset*

- **Personal governance** – the system by which a person manages himself/herself according to a plan of life
 - You cannot govern others well unless you first govern yourself well
 - You cannot share what you do not have
- **Personal Governance Charter**
 - Personal Core Values
 - Personal Mission or Core Purpose
 - Personal Vision
- **Personal Strategy Map**
- **Personal Balanced Scorecard**

*May 26

A Sample Personal Strategy Map

Personal Strategy Map of Juan(a)

My Personal Mission

To know, love and serve God (with all my heart, with all my soul and with all my strength), my fellow men and other God's creations

My Personal Core Values

God
Country
Family
Friends
A Balanced Me

My Personal Vision: When I die, I will go to heaven and be united with my God

Career	Deliver consistent results for my unit that are on or better than budgets and commitments	Establish a healthy working relationship with my team and other teams to ensure achievement of our goals
Financial	Establish a family savings plan and budgeting system that ensures the financial stability of the family	Embark on a balanced investment plan covering real estate, stocks, bonds and other instruments that will provide us adequate protection for the future
Physical and Mental	Adopt a healthy lifestyle that includes regular exercise, eating balanced diets sports and hobbies and regular medical checkups.	Form and maintain the habit of continually challenging the mind and equip self with tools, techniques and training for continuous improvement
Family and Social	Create an environment where the family members have fun and are developed to their full potential including physical, mental and spiritual development.	Establish a schedule for regular and wholesome interaction with friends, colleagues and relatives with the goal of forging mutually supportive relations
Spiritual	Develop a system of practicing the Faith with regular observance of religious duties (e.g. daily masses, regular confession, retreats, etc.	Reach out to friends and colleagues and help them grow in their Faith and to encourage them to observe norms of piety regularly.

Sample Personal Balanced Scorecard

Aspects	Objectives	Initiatives	Measures	Baseline	2021	2025
Career / Professional	Deliver consistent positive results at work	Update/Validate KRAs	% Budget attainment	80%	90%	100%
		Develop P&C system				
	Healthy work relations with my team and other teams	Conduct TB sessions	Frequency of team-building sessions and/or get-togethers	Once a year	Quarterly	Monthly
		Define / clarify roles				
Financial	Savings Plan	Prepare budget Devise savings plan	% of Income/Amount	5% / P200k	10% /P400k	20% /P1m
	Investment Plan	Consult Financial adviser	Portfolio size	P1m	P2m	P4m
Physical & Mental	Healthy Lifestyle	Adopt fitness program	4 Vital statistics	2/4 normal	3/4 normal	4/4 normal
		Regular driving range				
	Continuous improvement	Research on BTR	Books read/year Post graduate degree	2 books/yr	4 books/yr	12 books/yr
		Update MS Office				
Family & Social	Wholesome family environment	Establish regular dates	Family get-togethers	Once a month	2x a month	4x a month
		Plan to travel				
	Regular interaction with friends and relatives	Regular GT w/ friends	Friends get-together	Once a year	2x a year	4x a year
		Inventory of Birthdays				
Spiritual	Personal piety	Get a spiritual director	Cconsistency with religius duties	70%	80%	90%
		Go back to church				
	Apostolate	List friends to reach out	Number of friends and apostolates	6	12	24
		Study the Faith				

Summary

- Need for Corporate Governance
- Corporate Governance Trends (Global, Asia and the Philippines)
- Principles and Best Practices of Good CG
- Responsible citizenship
- Sustainability
- The Tricker Model ++
- The Board is the Head, the Heart and the Conscience of the corporation
- A well-governed GOCC using the guidelines of the PSE for PLCs

Final Words

- There is a bigger game than good GOCC governance
- This is about country and nationhood. This is about patriotism
- Our biggest enemy is poverty – poverty of the stomach, poverty of the mind and poverty of the spirit. 22M Filipinos.
- The ultimate solution to poverty is jobs, jobs and more jobs.
- GOCCs can help create more jobs – by making sure that they fulfill their vision to contribute to national development.
- GOCCs are in a strong position to be game-changers in governance reforms contributing to the country's inclusive and sustainable economic growth and development
- GOCCs have been doing it for years and it can still do even better in the years to come.

Final Words

- When people have jobs
 - They don't go hungry
 - They can afford to go to school or send their children to school
 - They don't despair – they can hope, they can dream
- The challenge, therefore, to all of you is to go beyond just being governance warriors and being just GOCC governors and managers
- The challenge is to help fight poverty by being the best GOCCs that you can be (ethical, efficient, effective and service-oriented governance) and, therefore, by being
 - Patriots in the GOCC boardroom and offices
 - Patriots on the streets
 - Patriots in your very own homes



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Corporate
Directors**

Thank you!

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Q & A