

BOARD COMMITTEES

Executive Committee – The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, 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.

Audit Committee – The committee shall be responsible for the following:

- (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, and 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 judgemental 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 ensure 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, and;
- (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.

Governance Committee – The Committee shall perform the following:

- (a) Oversee the periodic performance evaluation of the Board and its committees and Management, and shall also conduct an annual self-evaluation of their performance;
- (b) Decide whether or not 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). Internal guidelines shall

be adopted that address the competing time commitments that are faced when directors serve in multiple boards;

- (c) Recommend to the Board regarding the continuing education of Directors, assignment to the Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and
- (d) Recommend by which the manner the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholders' value.

Nomination and Remunerations Committee - The committee shall have the following functions:

- (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; and
- (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.

Risk Management Committee - The Committee shall be responsible for the following:

- (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 exposure 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; and
- (c) Provide Quarterly reporting and update the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals.

Committee on Reclamation Projects - The Committee shall perform the following:

- (a) Monitor, review and evaluate the reports of the Reclamation and Regulation Department to determine the need to improve or amend the existing policies on reclamation;
- (b) Recommend ways and means to expedite completion of on-going reclamation projects.

Committee on Construction and Building Projects - The Committee shall have the following functions:

- (a) To review the reports and recommendations submitted by the Construction and Technical Departments and recommend to the Board the appropriate action thereon;

- (b) To formulate policies as necessary for submission to and approval of the Board of Directors to improve the systems and procedures for early completion of all construction and building projects of PRA.

Committee on Business Development and Marketing – The Committee shall have the following functions:

- (a) Review and evaluate the Management's proposed development plans for PRA's real estate assets and recommend to the Board the most advantageous and profitable business plan;
- (b) Recommend to the Board the best disposition strategies involving PRA's real estate properties.