GCG MEMORANDUM CIRCULAR NO. 2016 – 01

SUBJECT : COMPENSATION FRAMEWORK FOR MEMBERS OF THE GOCC GOVERNING BOARDS

DATE : 10 MAY 2016

I. GENERAL CONSIDERATIONS

1. BACKGROUND AND PURPOSE. – Section 23 of the “GOCC Governance Act of 2011” (R.A. No. 10149) mandates and empowers the GCG to set the limits to the compensation, per diem, allowance, and incentive entitlements of members of the Board of Directors/Trustees of GOCCs, "[t]he charters of each of the GOCCs to the contrary notwithstanding."1

Accordingly, this Circular has been issued to establish within the GOCC Sector covered by R.A. No. 10149 a Directors' Compensation System (DCS).

2. POLICY CONSIDERATIONS. – The Directors' Compensation System (DCS) is anchored on the following policy considerations:2

(a) Promote transparency, accountability, and prudence in government spending;

(b) Enable GOCCs to effectively and efficiently perform their respective mandates and become significant tools for economic development;

(c) Strengthen the overall governance and management of GOCCs by, among others, attracting highly qualified and competent individuals; and

(d) Provide for a competitive Directors’ compensation system that is reasonable and appropriate to prevent abuses in the grant of compensation and the reimbursement of expenses.

II. EX OFFICIO DESIGNATIONS AND APPOINTMENTS IN GOCC GOVERNING BOARDS

3. DESIGNATION OF CABINET MEMBERS. – Pursuant to Section 13, Article VII of the 1987 Constitution, and the ruling in Civil Liberties Union v. Executive Secretary,3 members of the Cabinet, their deputies and assistants (i.e.,

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1 See also Section 20, R.A. No. 10149.
2 Adopted from Section 1, E.O. No. 24, s. 2011.
3 Civil Liberties Union v. Executive Secretary, 194 SCRA 317, 335 (1991).
Department Undersecretaries and Assistant Secretaries) cannot hold Director/Trustee positions in GOCCs unless the same is:

(a) In an ex officio capacity;
(b) Provided by law or executive order; and
(c) Such designation is required by the primary functions of the office.

Since the ex officio position is actually and in legal contemplation part of the principal office, the Cabinet-Level Officials concerned are not entitled to receive additional compensation for their services in the said position.

The foregoing rules do not apply to positions that are only designated by law to be of "Cabinet Rank," which are subject to the general prohibition against multiple positions under Section 7, Article IX-B of the 1987 Constitution.

3.1. Alternates. – Pursuant to Section 14 of R.A. No. 10149 and GCG MC No. 2012-08, Ex Officio Board members may designate their Alternates "whose acts shall be considered the acts of their principals" in the GOCC Governing Boards concerned, as follows:

(a) The Alternate must be an Officer of the Department or Agency to which the GOCC is attached who shall have a rank that is not lower than the equivalent of Director III;
(b) He/she must not already be a member of the Governing Board of the GOCC to which he/she is being designated as an Alternate; and
(c) He/she must report directly to the Principal Ex Officio Director on the matters covered by the GOCC.
(d) The Alternate is not entitled to receive additional compensation for his/her services as such.

4. Designation of Public Officials Below Cabinet Level. – Pursuant to Section 7, Article IX-B of the 1987 Constitution, public officials from the Executive Branch cannot hold Director/Trustee positions in GOCCs, unless the same is:

(a) "[A]llowed by law" or by executive order;
(b) "[A]llowed by the primary functions of his/her position."

In accordance with the ruling in Rafael v. The Embroidery and Apparel

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1 See Anak Mindanao Party-List Group v. Executive Secretary, 531 SCRA 583, G.R. No. 166052, 29 August 2007, where the Supreme Court stated that "[t]he Constitution's express grant of the power of control in the President justifies an executive action to carry out reorganization measures under a broad authority of law." See also Banda v. Ermita, 618 SCRA 488, G.R. No. 166620, 20 April 2010.
2 Section 13, Article VII, 1987 Constitution; Civil Liberties Union v. Executive Secretary, 194 SCRA 317, 335 (1991).
4 See Sec. 7(a), E.O. No. 24; "The agent, alternate or representative cannot have a better right than his principal, the ex officio member. The laws, rules, prohibitions or restrictions that cover the ex officio members apply with equal force to his representative. In short, since the ex officio member is prohibited from receiving additional compensation for a position held in an ex officio capacity, so is his representative likewise restricted." National Amnesty Commission v. COA, 437 SCRA 655, 668 (2004).
5 See Section 7, Article IX-B of the 1987 Constitution.
Control and Inspection Board," such designation of incumbent public officials into a GOCC Governing Board is considered an ex officio position, and therefore, would not entitle the designee to additional compensation for his/her services in the GOCC.

4.1. **Sole Exception to Ex Officio Designation of Public Officials.** – When the Legislative Charter of a GOCC provides that a member of the Governing Board shall be “a representative from the public sector,” then the position is deemed to be an Appointive Director from the Public Sector which would be subject to the selection and nomination process of the GCG. Consequently, the Appointee shall be entitled to receive the per diems and other lawful compensation paid by the GOCC for the performance of his/her duties and functions as an Appointive Director.

4.2. **Election of Appointive Directors from the Public Sector as CEO.** – On the rationale that a CEO position requires devotion of time and resources to managing on a full-time basis the affairs of a GOCC, an Appointive Director from the Public Sector cannot be elected as CEO nor temporarily be designated as Officer-in-Charge (OIC) of a GOCC without first resigning from his/her primary position in the public sector.

5. **Multiple Appointments for GOCC Officials.** – Since an Appointive Director position is considered to be a “public office,” nominees to such positions fall, from the time of their acceptance of their appointments, within the general prohibition against multiple appointments under Section 7, Article IX-B of the 1987 Constitution. Therefore, Appointive Directors/Trustees, Officers and Employees of GOCCs may be appointed as Appointive Directors in other GOCCs only when:

(a) “[A]llowed by law;” or

(b) “[A]llowed by the primary functions of his/her position.”

5.1. **“Allowed by Law” as Peculiarly Applied in the GOCC Sector.** – This refers to a situation where the Legislative Charter of a GOCC provides that “a representative from” another GOCC shall be a member of its Governing Board. In such a situation, the position is deemed to be an Appointive Director position that is subject to the selection and nomination process of the GCG. The appointee is also qualified to receive per diems and other allowed compensation when acting as such in a Subsidiary.

The same phrase of “a representative from” another GOCC or from a national government agency appearing in either the Articles of Incorporation and/or By-Laws of a Nonchartered GOCC is not equivalent to being “allowed by law,” and would thus be subject to the general rule against multiple appointments.

5.2. **“Allowed by Primary Functions” as Peculiarly Applied in the GOCC Sector.** – It is a matter of policy that the primary functions of Appointive Directors, Officers, and/or Employees of every GOCC allow their being nominated and/or appointed into the Governing Board (but not as the CEO

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12 See Sec. 7, Article IX-B, 1987 Constitution.
thereof) of a Subsidiary or Affiliate in which the GOCC has equity investments. The only limitation to such nominee's assumption of functions in the Subsidiary or Affiliate is that he/she can only be compensated for at most three (3) positions, inclusive of their primary position, at any given time, as provided in Section 49, Chapter 10, Book IV of the Administrative Code of 1987.

5.3. Effect of Election as Chief Executive Officer (CEO). – The election of an Appointive Director as the CEO, authorized under Section 18 of R.A. No. 10149, shall mean that he/she holds two (2) positions thereby: first, as an Appointive Director; and second, as CEO. Therefore, a CEO can be appointed in at most only one more Subsidiary or Affiliate whereby he/she would be entitled to compensation for acting as such, as provided herein.

5.4. Chairperson Holds Only One Position as Such. – The Chairperson of a GOCC shall be considered as holding only one (1) position, i.e. Appointive Director and Chairperson pertain to only one (1) position and are covered by one (1) compensation package. Therefore, a Chairperson is entitled to hold two (2) more Appointive Director positions in a Subsidiary or Affiliate for which he/she would be entitled to receive compensation as provided herein.

5.5 Appointive Director from Private Sector. – An Appointive Director from the Private Sector does not cease to represent the private sector despite having become a public official by reason of his being a Director of the GOCC. Therefore, such Appointive Director may be appointed or nominated into the Subsidiary or Affiliate of the Parent, even in instances when it is legally mandated that it be given to representatives from the private sector.

Subject to the provisions of existing laws and jurisprudence, an Appointive Director from the Private Sector can maintain all his/her private interests, dealings, and positions provided: (a) they are not in conflict with his/her fiduciary duties as an Appointive Director; and (b) the charter of the GOCC does not prohibit such private interests, dealings, and positions.

III. POLICY FRAMEWORK FOR COMPENSATION OF MEMBERS OF THE GOVERNING BOARDS OF GOCCS

6. ADDITIONAL OR DOUBLE COMPENSATION. – Section 9, Article IX-B of the 1987 Constitution allows additional, double or indirect compensation for appointive public officers only in cases where the same is “specifically authorized by law.” Thus, the compensation of Appointive Directors who serve concurrently in more than one GOCC is subject to the following legislative standards:

(a) Section 49 of Book IV (THE EXECUTIVE BRANCH), Chapter 10, of the

12 GCG MC No. 2012-09 (Re-Issued).
14 See also Section 56 (Rule Against Additional or Double Compensation), Book V, Title I, Subtitle A (Civil Service Commission), Chapter 7, Executive Order No. 292, s. 1987, otherwise known as the ADMINISTRATIVE CODE OF 1987.
Administrative Code of 1987 (E.O. No. 292) on the Rule Limiting to Two Additional Positions Where Multiple Positions is Allowed for Members of the Executive Branch, provides that a public official "may, in addition to his primary position, hold not more than two positions in the government and government corporations and receive the corresponding compensation thereof"; and

(b) Section 30 of the Corporation Code of the Philippines (B.P. 68), which applies suppletorily to GOCCs,\(^{16}\) allows directors of corporations to receive reasonable per diems.

7. **DIRECTORS’ COMPENSATION STRUCTURE.** – Unless otherwise revised by the GCG in accordance with its power under Section 23 of R.A. No. 10149, the Compensation Structure for Appointive Directors shall remain limited to the following components:

(a) *Per Diems*, but only up to the limits provided in Section 9 below; and

(b) Performance-Based Incentives (PBI) in accordance with Chapter IV herein.

7.1. **Absolute Ban on Retainer Fees and Stock Plans.** – Retainer fees and stock plans are absolutely not allowed to be given to, and received by, members of the Governing Boards of GOCCs as part of their compensation for acting as such.\(^{17}\) Whenever such items are given to the members of the Board of Directors in Affiliates, then as fiduciaries and trustees of the State pursuant to Section 20 of R.A. No. 10149, Appointive Directors are obliged to receive them as trust properties held on behalf of the GOCC they represent.

8. **CLASSIFICATION OF GOCCS BY OVERALL SIZE.** – For purposes of establishing the their appropriate DCS, GOCCs shall be classified by their Overall Size based on the Official Classification they receive from GCG in the enforcement of the Compensation and Position Classification System (CPCS) for GOCCs, as follows:

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>AVERAGE GRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>16</td>
</tr>
<tr>
<td>Medium</td>
<td>17 to 18</td>
</tr>
<tr>
<td>Large</td>
<td>19 and Up</td>
</tr>
</tbody>
</table>

9. **PER DIEM RATES.** – The maximum *per diem* per Board or Committee meeting *actually attended* for Appointive Directors shall be based on the Overall Size of the GOCC, but not to exceed the maximum annual amounts as specified herein.

9.1. **Maximum Rates.** – The following schedule shall serve as limits:

\(^{16}\) Sec. 4, B.P. No. 68.

\(^{17}\) Adopted from Section 8 of E.O. 24, s. 2011.
<table>
<thead>
<tr>
<th>OVERALL SIZE</th>
<th>PER DIEM PER BOARD MEETING</th>
<th>PER DIEM PER COMMITTEE MEETING</th>
<th>ANNUAL CAP FOR BOARD AND COMMITTEE MEETINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>₱ 10,000</td>
<td>₱ 6,000</td>
<td>₱ 384,000</td>
</tr>
<tr>
<td>Medium</td>
<td>20,000</td>
<td>12,000</td>
<td>768,000</td>
</tr>
<tr>
<td>Large</td>
<td>40,000</td>
<td>24,000</td>
<td>1,536,000</td>
</tr>
</tbody>
</table>

GOCC Boards shall have the flexibility to determine the number of Board and Committee meetings in a year, provided the per diems received by an Appointive Director shall not exceed the annual cap provided herein.

9.2. **Premium Rates for Chairpersons.** – For Board Meetings, Appointive Board Chairpersons may receive at most 20% more than the per diem rate set for the other Appointive Directors. For Committee Meetings, Committee Chairpersons may receive at most 20% more than the per diem rate set for the other Appointive Directors.

9.3. **Per Diems from Subsidiaries and Affiliates.** – In all situations where an Appointive Director, or Officer of a Parent GOCC, is appointed or elected into a Subsidiary or an Affiliate, such individual shall be entitled to retain such amount so received not exceeding the rates that he receives from the Parent GOCC, and the difference, if any, shall be remitted to the Parent GOCC.

10. **Reimbursable Expenses.** – There shall be no abuse of the structure of reimbursement of expenses as a means to gain indirect compensation by:

10.1. Making it a matter of policy that expenses of members of the Governing Board to attend Board and other meetings and discharge their official duties shall be disbursed directly by the GOCC;

10.2. The only time that Directors obtain a reimbursement of expenses can be:

(a) When due only to the exigency of the service and subject to the submission of receipts;

(b) Limited to actual and reasonable transportation expenses for attending meetings; expenses for official travel; communications expenses; and meals during business meetings; and

(c) Provided that the amount that may be reimbursed shall not be higher than the monthly RATA of an Undersecretary.

### IV. PERFORMANCE-BASED INCENTIVES (PBI) FOR APPOINITE DIRECTORS

11. **Conditions Precedent to Entitlement to PBI.** – In order for an Appointive Director to be entitled to PBI, the following conditions must be fulfilled for the applicable calendar year:
11.1. **GOCC Level.** – The GOCC where the Appointive Director serves was eligible and granted the Performance-Based Bonus (PBB) to Officers and Employees pursuant to the “Performance Evaluation System for the GOCC Sector” under that year’s governing Memorandum Circular, namely:

(a) The GOCC achieved a weighted-average score of at least 90% in its applicable annual Performance Scorecard; and

(b) The GOCC satisfactorily complied with the Good Governance Conditions provided in the then governing Memorandum Circular.

11.2. **Good Governance Condition for Individual Appointive Directors.**

11.2.1. **Attendance to Board and Committee Meetings.** – No Appointive Director shall be entitled to the PBI unless he/she shall have attended at least 90% of all authorized and duly called for Board and Committee meetings, in accordance with the terms and conditions provided for under the governing Memorandum Circular.

The Governing Boards of GOCCs shall constitute the proper Board Committees. Each Committee shall meet at least once for the performance year, or as many times as may be deemed appropriate based on Corporate Governance practices or studies of the requirements of the mandatory Committees.

11.2.2. **Length of Service.** – No Appointive Director shall be entitled to the PBI unless he/she has rendered at least three (3) months of aggregate service as Appointive Director in any GOCC for the year of entitlement, subject further to the following guidelines:

(a) Should an Appointive Director be separated from service as such after having satisfied the 3-month service requirement; *Provided*, That it was not for cause, he/she shall nonetheless be entitled to the PBI.

(b) Should an Appointive Director be subsequently appointed to another GOCC, he/she shall be entitled to the PBI from both GOCCs in accordance with the rules on multiple appointments in Section 5 and entitlement in Section 9.3.

11.2.3. **DPR Submission.** – No Appointive Director shall be entitled to the PBI unless he/she has submitted all the required forms for the Director Performance Review (DPR) under the prevailing version of GCG MC No. 2014-03 and implementing issuances issued pursuant thereto.

11.2.4. **Submission of Corporate Operating Budgets (COBs).** –

(a) For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in the applicable DBM National Budget Memorandum on “Budget Calls”;
(b) For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum on “Budget Calls”.

11.2.5. **Compliance with ICRS Submission (GCG MC No. 2014-02).** –

(a) Financial information for the past three (3) years using the GOCC Monitoring System (GMS) Module; and

(b) Latest information on the non-financial aspect of the GOCC using the GOCC Leadership Management System (GLMS) Module.

11.3. The Appointive Director must not have been found guilty of an administrative and/or criminal case related to his/her work.

12. **ENTITLEMENT.** – The grant of the PBI to eligible Appointive Directors shall be based on the following factors:

(a) **Attendance** or Total Annual Authorized *per diems* received by the Appointive Director concerned, which shall determine the maximum amount, or total base to be multiplied to the applicable Incentive Factor;

(b) **GOCC Performance Scorecard**, which shall determine the maximum Incentive Factor (100% / 95% / 90% / 85% / 80% / 75% / 70% / 65% / 50%) that can be applied to all Appointive Directors of a Governing Board; and

(c) **Director Performance Review (DPR) Rating**, which shall determine the applicable Incentive Factor for a particular Appointive Director.

12.1. The **Incentive Factor** shall be determined as follows:

<table>
<thead>
<tr>
<th>PES Rating</th>
<th>Director Performance Review (DPR) Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>98% - 100%</td>
</tr>
<tr>
<td>At least 98%</td>
<td>100%</td>
</tr>
<tr>
<td>At least 95% but below 98%</td>
<td>90%</td>
</tr>
<tr>
<td>Below 95% but at least 90%</td>
<td>80%</td>
</tr>
</tbody>
</table>

(a) An Appointive Director must meet both criteria on the GOCC Performance Scorecard and DPR to be entitled to the corresponding Incentive Factor.

(b) In no case shall the DPR result in an Appointive Director availing of an Incentive Factor that is higher than the one corresponding to the GOCC Performance Scorecard.
12.2. **Bonus/Incentive of the CEO.** – The President/CEO, or whoever is the highest ranking executive officer, has the option to avail of either the Performance-Based Incentive (PBI), or the OPBB and IPBB under E.O. No. 203, s. 2016, but not both. In the event the CEO opts for and is included in the OPBB/IPBB application, the following rules shall apply:

(a) The CEO must qualify to receive the PBI had he/she not opted for the OPBB/IPBB, under the principle that the CEO is first and foremost a member of the Governing Board, and that if the Governing Board does not qualify to receive the PBI, then the CEO should not be entitled to opt for the OPBB/IPBB;

(b) The actual release of the OPBB/IPBB to the CEO shall be made at the same time as the grant of PBI to the other qualified members of the Governing Board; and

(c) The CEO shall be ranked separately and shall not be included in the forced ranking of Officers.

12.3. **Appointive Directors and Officers in Subsidiaries and Affiliates.** – Appointive Directors and Officers who are nominated to and or elected into the Boards of Directors/Trustees of Subsidiaries and Affiliates are obliged to account for and turn-over to the Parent GOCCs any and all forms of incentives received as members of the Boards of Subsidiaries and Affiliates; *Provided, however,* that such individuals shall be authorized to retain PBI they received from Subsidiaries.

13. **Funding for the PBI.** – Funding for PBI shall be charged by GOCCs to their respective corporate funds, subject to the approval of their respective Governing Boards in accordance with applicable laws, rules and regulations. It is however prohibited to source the payment of the PBI from the following:

(a) Loans;

(b) Subsidy from the NG, except for subsidy income or subsidy given by DBM precisely for the payment of the PBI; and

(c) Sale of the GOCC's asset/s for the sole purpose of paying the PBI and is otherwise not in the ordinary course of business.

13.1. Board Resolution authorizing the grant of the PBI to the GOCC's Appointive Directors/Trustees in accordance with applicable laws, rules and regulations, using PBI Form 1;

13.2. Certification *under oath* from the Corporate Secretary on the Actual Per Diems Received by Appointive Directors using PBI Form 2, which provides for the following:

(a) That all Conditions Precedent in Section 11 herein have been complied with; and

(b) Details of the Total Actual Annual Authorized *per diems* received by eligible Appointive Directors for both Board and Committee meetings for the applicable calendar year.
13.3. Record of attendance of Appointive Members of the Governing Board who are eligible to receive PBI, using the Directors' Attendance System (DAS).

13.4. Copies of the particular pages of minutes of the meetings showing the presence/attendance of the Appointive Director/s and the signed attendance sheet to be submitted through the DAS; and

13.5. Supporting documents for absences due to official business to be submitted through the DAS.

13.6. The DAS and its supporting documents shall be submitted on or before 10 February 2017 while the PBI Forms 1 and 2 shall be submitted on or before 28 February 2017. GOCCs that submitted all required documents on the given deadline may be authorized to grant their PBI upon receipt of the authorization letter from the Governance Commission. Failure to comply with the requirements shall render the GOCC ineligible to grant the PBI to its Appointive Directors for CY 2016.

V. MISCELLANEOUS PROVISIONS

14. RESTITUTION. – “Upon a determination and report of the Commission on Audit (COA),” Members of GOCC Governing Boards that receive per diems and other forms of compensation in violation of this Circular “shall return the same to the GOCC.”18 “Failure to make the restitution within thirty (30) days after a written demand has been served shall, after trial and final judgment, be punished by an imprisonment of one (1) year and a fine equivalent to twice the amount to be restituted and in the discretion of the court of competent jurisdiction, disqualification to hold public office.”19

15. OTHER POLICIES ON MEMBERSHIP IN GOCC GOVERNING BOARDS. – R.A. No. 10149 re-emphasized the nature of the positions of Appointive Directors as public officers. The following are prohibited from being considered in the shortlist for Appointive Directors to any GOCC Governing Board covered by R.A. No. 10149, to wit:

15.1. National and Local Elective Officials. – A Senator, Member of the House of Representatives, or any other elective official is ineligible for appointment or designation, in any capacity, as a member of a GOCC Governing Board or as an officer of the GOCC during his/her tenure.20 Furthermore, candidates who lost in any election are ineligible to be appointed to any office in GOCCs, or as an Appointive Director in affiliates, for one year after such election.21

15.2. Foreigners. – Non-Filipino citizens cannot be considered as a nominee in the shortlist of Appointive Directors for any GOCC pursuant to Article 5(a) of the “Fit and Proper Rule for Appointive Directors and CEOs of

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18 Section 24, R.A. No. 10149.
19 Section 24, R.A. No. 10149.
20 Section 13, Article VII, 1987 Constitution; Section 7, Article IX-B, 1987 Constitution.
21 Section 6, Article IX-B, 1987 Constitution.
16. **TRANSITIONAL CLAUSE.** – Notwithstanding any provision herein to the contrary, all GOCCs with pending approval of their Reorganization Plan, Total Compensation Framework, and Index of Occupational Services, Position Titles and Job Grades (IOS) pursuant to Executive Order No. 203, s. 2016, and GOCCs that are losing and/or highly-subsidized in their operations shall maintain the compensation framework of their Appointive Directors as provided for under E.O. No. 24, s. 2011; however, without prejudice to losing and/or highly-subsidized GOCCs improving their operations and applying with the GCG and moving towards the full implementation of the CPCS under said E.O. 203, s. 2016.

17. **EFFECTIVITY CLAUSE.** – This Circular shall take effect immediately upon its publication in the Governance Commission’s website at www.gcg.gov.ph.
BOARD RESOLUTION NO. ________

ADOPTING THE PERFORMANCE-BASED INCENTIVE SYSTEM IN ACCORDANCE WITH GCG MEMORANDUM CIRCULAR NO. 2016-01

WHEREAS, the Governance Commission for GOCCs (GCG) issued GCG Memorandum Circular (M.C.) No. 2016-01 establishing, among others, the Performance-Based Incentive (PBI) System for Appointive Members of the Governing Board of GOCCs covered by GCG pursuant to Section 23 of the "GOCC Governance Act of 2011" (R.A. No. 10149);

WHEREAS, GCG MC No. 2016-01 provides that GOCCs that apply for the PBB for their Officers and Employees are deemed to have automatically applied for the PBI for the Appointive Directors;

WHEREAS, GCG approved the grant of the PBB for the Corporation's Officers and Employees;

WHEREAS, no other allowances, incentives and bonuses other than what is allowed under GCG MC No. 2012-02 will be given to the Appointive Members of the Governing Board, and there is sufficient corporate funds to grant the PBI in accordance with applicable laws, rules and regulations;

NOW, BE IT –

[Select one, delete the other]

[For GOCCs that have sufficient funds in their DBM-approved COB for Calendar Year] RESOLVED, that the [name of GOCC] has sufficient funds in the DBM-approved COB for 2016 and the amount not exceeding P__________________, [indicate the total actual annual authorized per diems received by the Appointive Directors as the ceiling amount] chargeable against corporate funds exclusive of the prohibited sources in GCG MC No. 2016-01, is hereby allocated for the grant of the PBI for CY _____ to eligible Appointive Members of the Governing Board, and shall be released upon approval of the GCG.

[For GOCCs that do not have enough funds in their DBM-approved COB (if Chartered) or Parent GOCC (if a subsidiary)] RESOLVED, that the [name of GOCC] does not have enough funds in the DBM-approved COB and the amount not exceeding P__________________, [indicate the total actual annual authorized per diems received by the Appointive Directors as the ceiling amount] chargeable against corporate funds exclusive of the prohibited sources in GCG MC No. 2016-01, is hereby allocated for the grant of the PBI for CY _____ to eligible Appointive Members of the Governing Board, and shall be released upon approval of the GCG.

The Corporate Secretary and all concerned executive officers shall issue the necessary certifications, attesting under oath the veracity of all information disclosed in the documents required by GCG.

DONE, this ___ day of __________, in ________________, Philippines.

[To be signed by ALL Members of the Governing Board]
CERTIFICATION OF ACTUAL PER DIEMS RECEIVED BY APPOINTIVE DIRECTORS FOR CY ___

This is to certify that the following Appointive Members of the Governing Board of [name of the GOCC] actually received the following per diems for CY ___:

<table>
<thead>
<tr>
<th>Name of Director/Trustee</th>
<th>Actual Annual Authorized Per Diems Received (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Board</td>
</tr>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>Sub-Total</td>
<td></td>
</tr>
</tbody>
</table>

This certification has been issued to attest to the truth and accuracy of all the information contained herein based on available records and information that can be verified with the Corporation.

DONE, this ____ day of ___________ 2017 at ___________, Philippines.

______________________________
Corporate Secretary

SUBSCRIBED AND SWORN to before me, this ____ day of ___________, in ________________, Philippines.

Doc No. ________ ;
Page No. ________ ;
Book No. ________ ;
Series of ________ .