

BOARD ACCOMPLISHMENT FOR CY 2018 – Work Done and Issues Addressed

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance	Authorized Management to communicate with lessee, Ley Construction & Development Corp. in regard its request to install second transformer from Meralco	To clarify issues with concerned lessee
Legal PAN Business Development	Authorized the Business Development Committee to conduct an ocular inspection of PNCC properties in Porac [Pampanga], Bocaue, Sta. Rita and Tabang [all in Bulacan]	To assess the properties for possible business development
	Reconstituted the Finance Committee	To fill-up the vacancy in the standing Board Committee
	Authorized the President & CEO to file the necessary collection suit against the recipients, the incumbent and the past officers of PNCC for the collection of ₱6.290 Million disallowed amounts as mandated by the Commission on Audit in its COA Order of Execution	To comply with the COA Order of Execution
	Confirmed and ratified the decision of Management to cease providing services for the rehabilitation of the Philphos fertilizer plant in Isabel, Leyte; authorized Management to dispose all PNCC-Operation idle inventories at Philphos in Isabel, Leyte; and authorized Management to separate/terminate project employees in the Philphos project	To further reduce operation losses
	Approved the recommendation of the Audit Committee to adopt the Internal Audit Plan and Budget submitted by the Internal Auditor of PNCC	To help the auditor obtain appropriate evidence for the circumstances and help keep audit costs at a reasonable level
	Authorized Management to defray the cost for the renovation/reconfiguration of the Directors/ Lounge, subject to usual auditing rules and regulations; and directed Management to look for suitable working space for the Internal Audit Unit	To provide workplace space for Directors and Internal Audit Unit
	Approved the appointment Compliance Officer	To fill up vacancy in the Office of the Chairman
	Approved the recommendation of the Economic and Business Development Committee to include in the Terms of Reference for the site development or master planning of the remaining 8.9 hectares of PNCC's FCA property in Pasay City the allocation of 400 sq.m. more or less for the Heroes of Marawi Memorial as part of the area reserved for parks and other open space facilities	To maximize the use of the company property for potential development

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Adopted the duties and functions of the Economic and Business Development Committee as endorsed by the Chairman thereof, including the authority to said Committee Chairman and the Management headed by the President to negotiate and sign MOUs	To delegate functions and duties to specific committee
	Explored from the partners of PNCC at Skyway O & M Corporation (SOMCO) the possibility of issuing qualifying shares to PNCC to be able to sit in their Board meetings	To comply with the requirements in order to claim the company’s interest in its shares to the private entity
	Authorized the Office of the Government Corporate Counsel or any of its lawyers and/or Atty. Henry B. Salazar of PNCC Legal Department, to appear and represent PNCC in the Judicial Dispute Resolution (JDR) in the case of Philippine Estates Corporation vs. PMO and PNCC	To provide legal representation in the said case
	Renamed the Nomination and Remuneration Committee into the Corporate Governance Committee provided in the PNCC Corporate Governance Manual	To comply with the provisions of Corporate Governance Manual
	Merged the Compliance Committee contemplated in the Corporate Governance Code with the Legal Committee	For facility and saving resources
	Granted a <i>per diem</i> to the Corporate Secretary for attendance at Board and Committee meetings	To appropriately compensate representation of Corporate Secretary in attendance at Board and Committee meetings
	Authorized the President and CEO to write PLY Aggregates Construction Supply Corp. in terminating the month-to-month lease contract over PNCC’s property located in Porac, Pampanga	To maximize rental income from FCA property
	Authorized the President and CEO to secure appraisal valuation of the PNCC properties in accordance with R.A. 9184 in order to determine their best use	To maximize rental income from FCA property
	Authorized the President and CEO to sign the letters and individually send to sub-lessees regarding the termination effective 30 May 2017 of the month-to-month lease contract	To maximize rental income from FCA property
	Adopted the recommendation of Management to require the assent of Pacific Concrete Products, Inc. that the lease of the three-hectare portion of the property allotted to PCPI, subject matter of the Compromise Agreement in the case of <i>PCPI vs. PNCC</i> , shall conform to the Procurement Law (bidding or Swiss challenge), and the President and CEO is hereby directed to communicate this to PCPI for the latter’s compliance	To maximize rental income from FCA property

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Referred to the Legal Committee the company’s policy/policies on the use of service vehicles for the latter’s comprehensive review and recommendation to the Board	To improve the existing policy on the use of service vehicles
	Approved the recommendation of the Nomination and Compensation Committee on the proposal submitted by Management for the 49 employees’ annual physical and medical examination with Hi-Precision Diagnostics,	To improve the health benefit of employees
	Authorized Management to do the canvass appurtenant to the purchase of one (1) unit of record vault for the proper safekeeping of the documents and records of the Offices of the Corporate Secretary and of the Compliance Officer, and to submit to the Board such canvass results for selection and approval	To provide security to documents and records of the Corporate Secretary
	Authorized Management to defray the cost of PNCC operations for the First Quarter of CY 2018 in the amount equivalent to 25% of last year’s approved Corporate Operating Budget, disbursement of which is subject to the usual accounting and auditing rules and regulations and authorized the President/CEO to revise PNCC’s budget policies and procedures following the budget calendar issued by the appropriate government agency to ensure an early presentation of subsequent corporate budgets	To enable Management to make decisions about the direction of different projects and processes and to allow a business to operate more efficiently and to be more able to achieve its goals
	Approved the renewal of the Directors and Officers Liability Insurance coverage from November 16, 2017 with the GSIS in the amount of Ten Million Pesos	To secure directors and officers against the cost of litigation and liability in the course of performing the official acts of its governing Board and Management
	Authorized Management to make arrangements with GCG and/or Institute for Corporate Directors (ICD) and/.or Development Academy of the Philippines (DAP) for the conduct of a seminar on corporate governance to be held in the company premises for PNCC officers/employees required to attend under the law	To provide seminars and training for directors and officers for their continuing education as provided for in the Corporate Governance Manual
	Authorized the Office of the Government Corporate Counsel or any of its lawyers and/or Atty. Henry B. Salazar of PNCC Legal Department, to appear in the Preliminary and Mediation conferences in the case of <i>Philippine National Construction Corporation vs. Spouses Marvin and Nerissa Sedano</i>	To amicably settle with lessee on dispute on FCA property lease

ANNEX “B”

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Audit Finance Corporate Governance Legal PAN Business Development	Authorized the President & CEO to negotiate for a possible compromise on the idle land tax imposed by the LGU of Parañaque City on PNCC’s Bicutan property	To settle tax obligation
	Authorized the President & CEO to submit separate Letter of Intent to the Toll Regulatory Board (TRB) to undertake the Pasig River Expressway Project (PAREX), Quezon-Bicol Expressway Project (QUEBEX) and the proposed extensions by PNCC of NLEX towards the north	To explore possibilities on tollway project development
	Authorized Management and the Legal Committee to look into the shares of the tollroad Joint Venture Companies where PNCC is a partner for the purpose of recovering or getting back all the interest payments and dividend shares from such JVCs	To explore on possibilities of recovering interest payments and dividend shares from JVCs
	Authorized the President & CEO to secure a DOJ Opinion confirming that PNCC is not required to bid out its Joint Venture partner for undertaking toll road projects pursuant to PD 1894	To secure opinion confirming the company’s authority to undertake toll road project pursuant to its mandate under PD 1894
	Amended the company policy on use of service vehicle by authorizing the Members of the Board of Directors to use such vehicles for the purpose of official duties which will be deposited to PNCC thereafter and directed Management to formulate rules and regulations governing the use of PNCC service vehicles	To provide service vehicle to directors to perform their official duties
	Amended the THIRD Article of the Amended Articles of Incorporation, subject to the approval of the shareholders, so as to read as follows: “THIRD: That the corporation shall have its principal office and place of business in <u>PNCC Complex, Kilometer 15, East Service Road, San Martin de Porres, Bicutan, Parañaque City, Philippines</u> ”	To comply with the requirements of SEC
	Authorized the President and CEO to formulate, revisit, modify the company policies in accordance with government rules and regulations for GOCCs, such as, but not limited to, procurement, retirement, procurement (unsolicited proposals, Swiss challenge)	To improve internal processes of the company
	Authorized the President to create a Special Pre-Qualification, Bids and Awards Committee (SPBAC) and TWG for the Comparative or Swiss Challenge for the development of the FCA Property	To improve process on pre-qualification, bidding and awarding for the development of FCA property
	Authorized the Compliance Officer to secure the original title of the FCA Property from concerned Government agencies such as, but not limited to, the PMO and the National Treasury	To secure documents of company property

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Approved the renewal of the Directors’ and Officers’ Liability Insurance (DOLI) and increased its coverage Ten Million Pesos (P10,000,000.00) to Twenty Million Pesos (P20,000,000.00)	To secure directors and officers against the cost of litigation and liability in the course of performing the official acts of its governing Board and Management
	Adopted the recommendation of the PAN Committee approving the Table of Organization and approved the termination of services of Consultant and directed Management to submit the TO to the GCG for appropriate action	To improve the organizational structure of the company and comply with requirements of GCG
	Directed Management through its HR to write a letter / notice to the employees who have reached the mandatory retirement age of 65 years and all those retiring within the year, which shall take within forty-five (45) days upon notice	To improve internal process on retirement
	Directed Management to vigorously pursue the ejectment / injunction case against a lessee of FCA property and to desist from entering into a Compromise Agreement with them, and deny any and all request of the lessee for continued possession of the property	To resolve legal issues with FCA lessee and protect the company’s interest on the property
	Authorized Management to pay judgment award in favor of former employee and pay the corresponding separation pay instead of reinstating him into the service	To settle legal issues with a former employee and comply with the court decision
	Approved the extension of MOU on PAREX Project	To explore possibility of toll road development
	Authorized the Technical Working Group to engage in future negotiations with proponent in regard the QBEX project	To explore possibility of toll road development
	Authorized Management to subject Porac Property for open bidding	To maximize revenue from lease of property
	Directed the Legal Department to expedite efforts for the recovery of the title to the FCA Property	To secure document of company property
	Approved the submission of the FS for 2017 to COA Audit Team	To comply with the requirements of COA
Approved the recommendation of the PAN Committee to approve the PNCC Performance Scorecard for purposes of deliberation and presentation of PNCC TWG to the GCG	To comply with the requirements of GCG	

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
	Revoked the membership of the President and CEO in the Audit Committee and appoint another director in replacement of the President	To comply with the COA rules
	Approved the recommendation of Business Development Committee to lease the Porac property at the following terms: [a] ₱180,000 per month with escalation of 10% per annum; [b] plus a year annum share of 5% of the gross revenue from the operation of the property for the first year, which shall be increased by 1% per annum of the succeeding years until the expiration of this contract; [c] plus P10.00 per cubic meter royalty, which shall be increased by P5.00 per cubic meter per year for the succeeding years until expiration of the contract; [d] with the period of execution of the contract until end of 2022; [e] subject the lease to an open bidding; and [f] winning bidder shall ensure that the equipment to be used in the quarry operation shall be brand new	To maximize revenue from lease of property
	Approved not to extend the lease contract at the FCA Property, authorized Management to file ejectment cases and other appropriate cases in our court in the event that the Lessees of the FCA Property refuse to vacate and surrender possession of the property to PNCC and authorized the President and CEO to sign the verification and certification against forum shopping in all the pertinent pleadings	To explore possibility of implementing improved rental rates to maximize lease revenue and protect the rights of the company over the property
	Approved the extension of the MOU between proponent and PNCC on the QBEX Project	To explore possibility of toll road project development
	Approved the request of INC to use the vacant area in the FCA Property as a staging point of their “Walk for a Cause” activity provided that the activity will not impede the traffic flow, peace and security are not breached, cleanliness and orderliness are manifested are maintained at all times	To support the activity of INC as part of company’s CSR activities
	Approved the grant of separation pay of deceased employee for humanitarian considerations	To extend financial assistance to bereaved family of employee
	Approved the increase of P3,700.00 per month in the salaries of 41 rank-and-file employees of PNCC considering the inflationary effects of the TRAIN law and to cushion its effects on the rank and file employees	To improve the employees’ compensation
	Authorized Management to hire 3 executive assistants for the Board of Directors	To fill up the vacancy in the office of the Board
	Authorized the Compliance Officer to comply with the requirements under EO 36	To comply with the requirements of GCG

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Authorized Management to hire two (2) additional personnel to fill up vacant position in the current table of organization for the Legal Department	To fill up vacancy in the Legal Department
	Approved the creation of FCA Task Force for the purpose of implementing board resolutions in relation to the termination / non-extension of the FCA Lease	To improve the process of implementing board action on the termination of FCA lease contracts
	Authorized representatives of Management to attend the orientation on the GOCC Leadership Management System (GLMS)	To comply with GCG requirement
	Required PNCC Board of Directors to attend the Institute of Corporate Development (ICD) Training on Continuing Governance to be held on 30 May 2018	To provide seminars and training for directors and officers for their continuing education as provided for in the Corporate Governance Manual
	Accepted the offer of Philphos to pay their outstanding obligation with PNCC for a period of 6 months and to allow PNCC to enter into another rehabilitation contract with Philphos for the rehabilitation of their fertilizer plant in Isabel Leyte	To increase revenue of the company from operation
	Approved the recommendation of Management to designate the legal officer as Acting Treasurer	To fill up the vacancy in the company
	Requested Management to formulate policies / procedures in the disposal of junked properties including the utilization of the proceeds as per COA Circular No. 89-296 dated January 27, 1989, and other related Government issuances governing the utilization of the proceeds of the said sale of junked / unserviceable properties	To improve internal policies and procedures in the disposal of junked properties and the utilization of its proceeds
	Approved the Special Lease Guidelines and directed Management to submit the same to the UP Law Center and published in the website of PNCC	To improve the guidelines on lease of properties
	Authorized the TWG to meet on how to implement the JVA establishing terms and conditions that were mutually and voluntarily entered into by the parties for TR5 toll project and to negotiate the aspects pertaining to equity shares, PNCC share on toll revenue and non-toll revenue, and the operation and maintenance as recommended by the TWG of PNCC	To explore possibility of developing TR5 toll road project
	Reviewed and approved the PNCC Scorecard for 2018 as recommended by the PAN and Corporate Governance Committees	To comply with the requirements of GCG
Approved the authority of the Compliance Officer to deal with Government lessees and sub-lessees re the termination of the FCA Lease.	To improve process of terminating lease contract on FCA property	

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Approved to terminate its month-to-month contract with lessee on Porac Property	To improve rental rates of the property to maximize revenue
	Approved the modes of disposition in the selection process of the lease development project for the 12.9 hectare FCA Property [a] 8.9 FCA Property through open bidding / competitive selection [b] 1 hectare OFW mixed used Property through Swiss challenge subject to certain conditions such as the review by the OGCC and of the Legal Department on said modality [c] 3 hectare FCA Property to be leased by PCPI through the Swiss challenge modality	To improve selection process of the lease development project of company property
	Adopted the current compensation framework pursuant to EO 36 requirement	To comply with GCG requirement
	Approved the draft Business and Joint Venture Agreement (BJVA) between PNCC and project proponent and authorized the President & CEO to sign the endorsement letter to the Office of the President of the Republic of the Philippines for the approval of the and the assignment of the usufruct for the SLEX TR5 Project	To comply with required documents to commence the toll road project
	Authorized the PNCC-TWG, together with the project proponent TWG, to negotiate with the TRB-TWG on the terms of the Supplemental Toll Operation Agreement (STOA) for the SLEX TR5 Project	To comply with required documents to commence the toll road project
	Granted the request of FCA lessee the grace period of until 5 October 2018 to vacate the leased premises pending renovation of the premises where they will be transferring	To give consideration to the request of lessee
	Authorized Management to submit to TRB the joint investment proposal for TR5 SLEX Project	To comply with required documents to commence the negotiation of the terms of STOA with TRB-TWG
	Directed the Corporate Governance Committee to review the existing Signing Authorities Manual and make recommendations to the Board for any necessary updates	To improve the efficiency of the operations of the company
	Directed the conduct of investigation on alleged infraction of some employees in regard the Porac Property payola	To protect the interest of the company over the property and protect the interest of innocent employees on alleged infraction on the Porac property
	Declared the failure of bidding re the Porac Property for failure to come up with at least 3 bidders, and require the property to undergo the competitive negotiation bidding	To improve the rental rates of the property to maximize revenue

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Authorized management to perform acts to possess or repossess the premises of the lessee in FCA in accordance with the remedies as provided in the lease contract and existing laws	To protect the interest of the company over the leased property
	Authorized the President and CEO to settle the tax liability of the company	To settle company’s tax liability to prevent further expenses on penalties
	Approved the proposed amendments to PD 1894 and present it to the House of Representatives for its appropriate action	To explore the possibility of expanding the scope of the franchise
	Approved the Terms of Reference for the Porac Property Lease and authorized SBAC to conduct competitive negotiations	To improve the rental rates of Porac property
	Approved the proposed 2019 PNCC Scorecard authorized Management to submit the proposed 2019 PNCC Scorecard to GCG	To comply with GCG requirement
	Approved the compromise agreement with FCA lessee accept rental payments	To settle issue with lessee
	Authorized the named employees to effect e-file transactions and e-file payments at the BIR	To comply with reportorial requirements of BIR
	Appointed a Data Protection Officer (DPO) pursuant to the National Privacy Commission (NPC) Advisory No. 2017-01 dated 14 March 2017 and authorized Management to submit to the NPC the necessary documents required to register the DPO of PNCC	To comply with the requirements of Data Privacy Act
	Reactivated the TWG for the PAREX project to include the newly hired Engineer	To include a member in TWG with expertise in technical aspect of the project
	Appointed OIC for Human Resources in replacement of retiring Head of the office and authorized the appointed OIC to sign corporate checks and monthly –issued Personnel Action Forms (PAFs) of SOMCO-based employees and all other documents related to the position he is hereby authorized	To fill up the vacancy in the office due to retirement of the Head
Authorized TWG to negotiate with PSI re the MOA taking into consideration the final deadline of extension and present the draft MOA during the meeting of the Business Development Committee	To explore the possibility of toll road project development	

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Approved that the transportation allowance and midyear bonus of the employees be the subject of a compromise in order to prevent long and protracted litigation and for the Company to further save on unnecessary expenses by way of damages, interest expenses, and other litigation fees	To resolved legal issues with employees in regard their benefits and to further save unnecessary expenses in continuing the litigation
	Recommended the appointment of Security Officer as head of the General Services Division (GSD) and to adjust his salary accordingly	To reorganize the GSD
	Approved the recommendation of the Legal committee the following courses of action re the development of PAREX Project by coming up with guidelines to determine the best BJVA, meeting with the TRB officers, and authorizing the President to enter into MOUs that are not exclusive, exploratory, and non-committal in order to get all proposals for the project;	To explore the possibility of toll road project development
	Authorized the President and CEO to sign the Deed of Assignment of Usufruct in relation to the QBEX Project	To comply with documentary requirements for the toll road project development
	Approved the recommendation of Legal Committee that an OGCC opinion should be secured regarding the matter so that we will be covered in case of a compromise in relation to the midyear bonus and transportation allowance of the PNCC employees is now the subject of a Motion for Reconsideration before the Court of Appeals	To comply with procedures required in entering into compromise agreement
	Authorized the President and CEO to prepare a letter addressed to the President of the Philippines to implement the BUTEX Project	To explore the possibility of toll road project development
	Authorized the Corporate Secretary to sign a letter addressed to the NBI requesting the immediate conduct of an investigation on the on [1] the alleged leakage of the 1 st Quarter Report of PNCC, Office of the President, and [2] the alleged payola received by PNCC employees in relation to the lease of the Porac Property	To resolve issue in the Management in regard infraction of some employees
	Approved that the FCA lessee be given the status of an original proponent as regards the 3 hectares which is the subject of an on-going compromise, upon completion of required documents including their undertaking for the dismissal of the case	To resolve legal issue with FCA lessee
	Directed the PAREX project proponent to look for an investor on the PAREX project with the condition that we will terminate the MOU with them should they be unable to look for an investor	To explore the possibility of toll road project development

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Directed Management to send a letter of clarification addressed to GCG inviting its attention on section 9 thereof, clarifying whether or not said disallowance should be considered inasmuch as salary adjustment is the exception under section 9 of EO 7, S. 2010	To settle issue in the grant of salary increase of employees
	Directed Management to write a letter re COA findings and ask for review, reconsideration, reevaluation, and recommendations re the findings of COA and write a letter requesting approval of TO to comply with COA rules and regulations	To clarify COA findings in regard the employment of Directors' EAs
	Reorganized the members of the different committees	To properly designate the duties of the committees
	Approved to award the lease of the Porac Property to Tokagawa Global Corp.	To maximize lease revenue
	Directed Management to exert efforts in securing a certification from the bank to the effect that the P71,000,000.00 cash bond issued by Investor's Assurance Corp. (IAC) in relation to the Valentin labor case is deposited under PNCC's name in a separate account and that thereafter, Management should render a compliance report on this matter	To recover sum of money posted by the company as cash bond for labor case
	Directed Management to recover the losses to make the company sustainable in view of the noted losses as presented by the Comptroller and recommended the following courses of action : [1] fast track the disposition through bidding / Swiss challenge of the FCA properties, particularly the 8.9 hectares, the 3 hectares, and the 1 hectare; [2] require Management to present the final draft of the Contract and TOR of the FCA properties due for lease on the next board meeting for approval, and subsequent submission to OGCC for their review	To undertake courses of action to recover financial losses
	Directed the President and CEO to submit Quarterly Reports to the Office of the President (OP) and that all submissions of Quarterly Reports to the OP should first be presented to the Board for its information and approval	To comply with reportorial requirements of supervising Agency
	Approved the recommendation of Finance Committee to approve the a supplemental budget in the amount of P80,000.00 for the celebration of the 52 nd founding anniversary of PNCC which include activities such as as Mangrove Tree Planting as part of the corporate social responsibility of PNCC	To allocate budget for CSR activities of the company
	Approved the hiring of Board Stenographer	To fill up the vacancy in Corporate Secretariat office
Approved the cessation of business engagement at PHILPHOS	To lessen further losses from operaiton	

ANNEX “B”

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Audit Finance Corporate Governance Legal PAN Business Development	Appointment of incumbent directors to DISC, a PNCC subsidiary to finally dissolve the company	To fill up vacancy in the Board of company's subsidiary
	Extended the lease contract with FCA lessee until such time that Swiss challenge on the TOR is concluded	To resolve issues with FCA lessee
	Directed Management to submit the draft Amended Subscription Agreement to the OGCC for its review and opinion in regard to JVA with CCEC	To protect the interest of the company in JV company
	Approved the issuance of certification to Tokagawa to operate the Porac quarry provided that the latter should start paying rentals, and that the authority to operate is subject to the legal opinion of OGCC i.e. the validity of the contract and bidding process	To facilitate required documents in lease agreement with Porac property winning bidder
	Approved the COB for 2019	To enable Management to make decisions about the direction of different projects and processes and to allow a business to operate more efficiently and to be more able to achieve its goals