



CULTURAL CENTER OF THE PHILIPPINES

MANUAL OF CORPORATE GOVERNANCE

I. OBJECTIVE

This Manual shall supplement and complement the Cultural Center of the Philippines (CCP) Rules and Regulations (2006) as provided for in the CCP Charter (P.D. 15 as amended by P.D.s 179, 1444, 1815, 1825 and E.O. 1058) and shall institutionalize the principles of good corporate governance in the entire organization.

The CCP Board of Trustees, Management and employees hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of the Center's corporate goals.

II. CORPORATE VISION, MISSION AND PERFORMANCE PLEDGE

The Board of Trustees, Management and employees adhere to and confirm their continuing commitment embodied in the CCP Corporate Vision, Mission and the Performance Pledge which are made part of this Manual (Annex A).

III. DEFINITION OF TERMS

Sec. 1. *Definition of Terms.* – For purposes of this Manual, the following terms shall have the following meanings:

"Act" refers to Republic Act No. 10149, and officially named the "*GOCC Governance Act of 2011*";

"*Appointive Trustees*" refer to all members of the CCP Board of Trustees who are appointed by the President of the Philippines and who are not *Ex Officio* members thereof;

“*Board of Trustees*” or “*Board*” or “*Governing Board*” (“*Board*”) refers to the collegial body that formulates corporate policies related to business and property of CCP, whether it be formally referred to as the “Board of Trustees” or some other term in its Charter or By- Laws;

“*By-laws*” refers to the basic instrument adopted by the CCP Board for its internal government for the purpose of regulating the conduct and prescribing the rights and duties of its members towards itself and among themselves in reference to the management of its affairs.¹

“*Charter*” refers to Presidential Decree No. 15, as amended, creating the CCP and defining its franchise.²

“*Charter Statement*” refers to the statement of the CCP vision, mission and core values.

“*Chief Executive Officer*” (“*CEO*”) refers to the highest-ranking corporate executive who is the President of CCP.

“*Confidential Information*” refers to all non-public information entrusted to or obtained by a member of the Board or Officer by reason of his/her position as such with the CCP. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the CCP or its customers/stakeholders if disclosed, such as: (a) non- public information about the CCP’s financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers, acquisitions, divestitures, stock splits and similar transactions; (b) non-public information concerning possible transactions or ventures with other companies, or information about suppliers, joint venture partners, or any information that the CCP is under obligation to keep confidential; and (c) non-public information about internal discussions, deliberations and decisions, between and among Directors and Officers.³

“*Trustee*” refers to any member of the CCP Board of Trustees;

“*Ex Officio Board Member*” (*Ex Officio Trustee*) refers to any individual who sits or acts as a member of the Board of Trustees by virtue of one’s title to another office, and without further warrant or appointment. Ex Officio Trustees may designate their respective alternates, who ideally should be officials next-in-rank to them, and whose acts shall be considered the acts of their principals.

¹2006 CCP Rules & Regulations

²CCP Charter (P.D. 15)

³Sec. 3(j), R.A. No. 10149

"*Executive Officers*" refers to the President or whoever is the highest-ranking officer in the CCP, and such other corporate officers, such as the Vice-Presidents or duly designated Department Managers.

"*Fit and Proper Rule*" refers to a set of standards for determining the qualification of a member of the Board of Trustees or the CEO, which shall include, but not be limited to, standards on integrity, experience, education, training and competence, as set forth under GCG Memorandum Circular No. 2012-05.⁴

"*Government Agency*" refers to any of the various units of the Government of the Republic of the Philippines, including a department, bureau, office, instrumentality or GOCC, or a local government or a distinct unit therein.⁵

"*Management*" refers to the body given the authority to implement the policies determined by the Board in directing the course and business activities of the CCP.

"*Officers*" refer to both the Board Trustees and Executive Officers of CCP.

"*Per Diem*" refers to the allowance granted to members of the Board of Trustees for actual attendance in meetings.⁶

"*Performance Evaluation System*" ("*PES*") refers to the process of appraising the individual and/or collective accomplishments of the agency or institution in a given fiscal year based on set performance criteria, targets and weights.⁷

Sec. 2. *Singular Term Includes the Plural.* – Unless otherwise indicated in this Manual, any reference to a singular, shall apply as well to the plural, and *vice versa*.

Sec. 3. *Coverage.* – This Manual shall be observed by all incumbent Board Members, Officers and Employees of the CCP.

⁴ Sec. 3(j), R.A. No. 10149

⁵ Sec. 3(k), R.A. No. 10149

⁶ Sec. 3(s), R.A. No. 6713

⁷ Sec. 3(t), R.A. No. 10149

IV. GOVERNING BOARD

Sec. 1. Board of Trustees

(a) The governing powers of the CCP shall be vested in and exercised by the Board of Trustees composed of *eleven (11)* members,⁸ who shall serve without compensation.

(b) All Appointive Trustees in CCP shall be appointed by the President of the Philippines from a shortlist prepared by the GCG.⁹ The selection, nomination, and shortlisting of prospective Appointive Trustees shall be pursued in accordance with the rules and criteria formulated by the GCG, which shall include the following statutorily-mandated conditions, as follows:

[i] The GCG shall cause the creation of search committees to pursue the process of selection, nomination and shortlisting of prospective appointees;

[ii] All nominees included in the list submitted by the GCG to the President shall meet the Fit and Proper Rule, and such other qualifications which the GCG may determine, taking into consideration the unique requirements of CCP;

[iii] The GCG shall ensure that the shortlist shall exceed by at least fifty percent (50%) of the number of Trustees to be appointed; and

[iv] The President of the Republic of the Philippines may ask the GCG to submit additional nominees if he finds the list insufficient.

(c) *Term of Office of Appointive Trustees.*¹⁰ – The term of office of each Appointive Trustee shall be for one (1) year, unless sooner removed for cause: *Provided, however,* that each Appointive Trustee shall continue to hold office until the successor is appointed and qualified.

(d) The one (1) year Term of Office of all Appointive Trustees shall begin on 01 July of the year of appointment and ending on 30 June of the following year.¹¹

⁸Sec. 1 (P.D. 1058, took effect 16 January 1981)

⁹Sec. 15, R.A. No. 10149

¹⁰Sec. 14 & Sec. 14.1, R.A. No. 10149

¹¹ Sec. 14 & Sec. 14.1, R.A. No. 10149

An Appointive Trustee may be nominated by the GCG for re-appointment by the President only if one obtains a performance score of above average or higher in the immediately preceding year, based on the performance criteria for Appointive Trustees adopted for the CCP.

(e) Only Filipino citizens with good moral standing, at least 25 years of age and a resident of the Philippines can be appointed to the CCP Board of Trustees.

(f) **Disqualification of Trustees**

The following shall be grounds for the disqualification of a trustee:

- a) Having conflicting interests with the business of the CCP;
- b) Having used his position as a Member of the Board to make profit or acquire benefit or advantage for himself and/or his related interests;
- c) Having violated the provisions of the CCP Charter, its rules and regulations, as well as provisions under the GCG Code of Governance;
- d) Having been absent for four (4) consecutive regular meetings of the Board or Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Trustees for any twelve (12) month period during his term;
- e) Having been finally convicted by a competent judicial or administrative body of any crime involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury, or other fraudulent acts or transgressions, gross negligence, or gross misconduct; or conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years; or
- f) Having been disqualified as prescribed by law.
- g) No Appointive Trustee in CCP may hold more than two (2) other Board seats in other GOCCs, subsidiaries and/or affiliates.¹²
- h) Appointment to any vacancy in the Board of Trustees shall only be for the unexpired term of the predecessor and shall be in

¹²Sec. 11, GCG MC 2012-07

accordance with the manner provided for regular nomination, shortlisting and appointment of Appointive Trustees.

- i) Ex-Officio Trustees may designate their respective alternates, who ideally should be officials next-in-rank to them, and whose acts shall be considered the acts of their principals.¹³

Sec. 2. Responsibility of the Board- The Board is responsible for providing policy directions, monitoring and overseeing Management actions. These mandated functions and responsibilities include the following:

- (a) Provide the corporate leadership of the CCP subject to the rule of law, and the objectives set by the National Government through the Supervising Agencies and the GCG;
- (b) Establish the CCP's vision and mission, strategic objectives, policies and procedures, as well as defining the CCP's values and standards through:
 - Charter Statements;
 - Strategy Maps; and
 - Other control mechanism mandated by best business practices;
- (c) Determine important policies that bear on the character of the CCP to foster its long-term success, ensure its long-term viability and strength, and secure its sustained competitiveness;
- (d) Determine the organizational structure of the CCP, defining the duties and responsibilities of its Officers and employees and adopting a compensation and benefit scheme that is consistent with the GOCC Compensation and Position Classification System (CPCS) developed by GCG and formally approved by the President of the Philippines;
- (e) Ensure that personnel selection and promotion shall be on the basis of merit and fitness and that all personnel action shall be in pursuit of the applicable laws, rules and regulations;
- (f) Provide sound written policies and strategic guidelines on the CCP's operating budget and major capital expenditures, and prepare the annual and supplemental budgets of the CCP;
- (g) Comply with all reportorial requirements, as required in the Charter and By-laws, as well as applicable laws, rules and regulations;

¹³Sec. 14, R.A. No. 10149

- (h) Formally adopt and conduct annually the mandated Performance Evaluation System and the Performance Scorecard and timely and accurate report the results to the GCG; and
- (i) Ensure the fair and equitable treatment of all Stakeholders and enhancing the CCP's relations with its Stakeholders.

Section 3. Specific Functions of the Board – In addition to those specified in its Charter and/or By-laws, the Board shall perform the following functions:

- (a) Meet regularly, ideally at least once every month, to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and that all such meetings shall be properly documented or minuted;
- (b) Determine the CCP's purpose and value, as well as adopting strategies and policies, including risk management policies and programs, in order to ensure that the CCP survives and thrives despite financial crises and that its assets and reputation are adequately protected;
- (c) Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results;
- (d) Adopt a competitive selection and promotion process, a professional development program, as well as succession plan, to ensure that the Officers of the CCP have the necessary motivation, integrity, competence and professionalism;
- (e) Monitor and manage potential conflicts of interest of Directors, Management, and shareholders, including misuse of corporate assets and abuse in related party transactions;
- (f) Implement a system of internal checks and balances, which may be applied in the first instance to the Board; and ensure that such systems are reviewed and updated on a regular basis;
- (g) Ensure the integrity of the CCP's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- (h) Identify and monitor, and provide appropriate technology and systems for the identification and monitoring of, key risks and key performance areas;

- (i) Adopt, implement and oversee the process of disclosure and communications;
- (j) Constitute an Audit Committee and such other specialized committees as may be necessary, or required by applicable regulations, to assist the Board in discharging its functions; and
- (k) Conduct and maintain the affairs of the CCP within the scope of its authority, as prescribed in its Charter or By-laws, and applicable laws, rules and regulation.

Section 4. Without prejudice to such powers as may be granted by applicable laws and issuances, the Board of Trustees shall also have the following powers:

- (a) To make and change rules and regulations not inconsistent with the CCP Rules and Regulations of 2006 for the management of the CCP's business and affairs, as needed;
- (b) To enter into contracts as it may deem necessary to carry out or accomplish the purpose and objectives of the CCP;
- (c) To purchase, receive, take or otherwise acquire for and in the name of the CCP, any and all properties, rights, privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
- (d) To solicit donations and funds in the form of contribution, whether in cash in property, from both the public and private sectors;
- (e) To invest the funds or other assets whether movable or immovable, of the CCP in such undertakings as it may deem wise or necessary to carry out its purpose and objectives;
- (f) To open such accounts in and with banks and other financial institutions and disburse such funds or invest the same as it may deem necessary to accomplish or advance the purpose of the Center;
- (g) To incur any indebtedness as the Board may deem necessary and issue its evidence thereof, including notes, deeds of trust, bonds, debentures, or securities, subject to limitations imposed by law;
- (h) To approve the annual budget and any supplemental budget that may be submitted to it by the President of the CCP.

- (i) To approve the pension, retirement, bonus, or other types of incentives or compensation plans for employees, including officers and members of the Board of Trustees, which shall be covered by the Compensation and Position Classification System (CPCS) for GOCCs under R.A. No. 10149 as approved by the President of the Philippines, and provided further that prior approval from the GCG shall be obtained therefor,¹⁴ in accordance with the law;
- (j) To file, maintain, defend or compromise any lawsuit in which the CCP or its officers are either plaintiffs or defendants in connection with the business of the CCP;
- (k) To delegate from time to time any of the powers of the Board to any standing or special committee, officer or agent with such powers and upon such terms as may be deemed fit;

Section 5. Officers of the Board – The Officers of the Board of the CCP are the Chairman, Vice-Chairman and the Corporate Secretary.

5.1 Chairman of the Board

The Board of Trustees shall elect a Chairman who must be one of its members, who shall act as such until such time as the Board of Trustees, by a majority vote, shall elect another Chairman. The Chairman shall, when present, preside at all meetings of the Board. The Chairman's responsibilities may include:

- (a) Calling meetings to enable the Board to perform its duties and responsibilities;
- (b) Approving meeting agenda in consultation with the CEO and the Corporate Secretary;
- (c) Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board; and
- (d) Assisting in ensuring compliance with the GOCC's guidelines on corporate governance.
- (e) Perform other acts and exercise other powers within its mandate as may be determined by the Board.

¹⁴Sec. 8, R.A. No. 10149

5.2 Vice-Chairman

In the absence of the Chairman of the Board, the Vice-Chairman shall preside at the meetings of the Board.

5.3. Corporate Secretary

The Corporate Secretary shall be selected by the Board of Trustees. He shall have the following functions:

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

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

Sec. 6. Board Meetings

- a) The meetings of the Board of Trustees shall be held at the principal office of the CCP at the Tanghalang Pambansa, CCP Complex, Roxas Boulevard,

Pasay City, unless otherwise designated by the Board, and shall be presided over by the Chairman or in the latter's absence the Vice-Chairman.

b) Regular Meetings of the Board shall be held in an agreed upon frequency and schedule after due notice.

c) Special meetings of the Board of Trustees may also be called any time upon request of the Chairman or of any two (2) trustees.

d) Except as otherwise provided, notice of any meeting of the Board of Trustees shall be given to each trustee by the Corporate Secretary or by the persons calling the meeting, in writing or by electronic means, advising him by word of mouth, addressed to him at his residence or usual place of business as it appears in the records of the CCP.

e) Non-receipt of any such notice shall not invalidate any business done at any meeting in which a quorum is present.

f) Any action taken at a meeting where majority of the trustees are present shall be legal and valid.

Sec. 7. Quorum

A majority of trustees shall constitute a quorum for the transaction of business of the CCP, and any decision by the majority of those present shall constitute a valid and binding act of the CCP.

Sec. 8. Proxies

Proxies may attend but cannot vote at Board meetings.

Sec. 9. Limits to Compensation, Per Diems, Allowances and Incentives-Pursuant to Sec. 23 of the GOCC Act:¹⁵

(a) The Charters or By-laws of the CCP to the contrary notwithstanding, the compensation, *per diems*, allowances and incentives of the Appointive Trustees shall be determined by the GCG, using as a reference, among others, Executive Order No. 24, dated February 10, 2011;

(b) Trustees shall not be entitled to retirement benefits as trustees; and

¹⁵Sec. 23, R.A. 10149

- (c) Having been organized solely for the promotion of social welfare and the common good, without regard to profit, the total yearly *per diems* and incentives in the aggregate which the Trustees may receive shall be determined by the President of the Philippines upon the recommendation of the GCG based on the achievement by CCP of its performance target(s).

Sec. 10. Annual Performance Evaluation of the Board

A systematic evaluation process of the Board shall be developed as a necessary tool in enhancing its professionalism and as a useful incentive for Board Members to devote sufficient time and effort to their duties. The performance of the members of the Board shall be evaluated based on the criteria set forth under GCG Memorandum Circular No. 2014-03¹⁶ and subsequent amendments thereto, if any. The results of the performance evaluation shall serve as bases for the GCG in determining the Board members' eligibility for reappointment.

V. OFFICERS

Management is primarily accountable to the Board for the operations of the CCP. As part of its accountability, Management shall provide all members of the Board with a balanced and understandable account of the CCP's performance, position and prospects on a monthly basis. This responsibility shall extend to interim and other price sensitive public reports and reports to regulators.

The CCP shall have the following executive officers:

Sec. 1. President – The President or the highest-ranking officer of the CCP, shall be elected annually by the members of the Board from among its ranks. The President shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause. The President shall:

- (a) Exercise general supervision and authority over the regular course of business, affairs, and property of the CCP, and over its employees and officers;

¹⁶Performance Evaluation for Directors in the GOCC Sector

- (b) See to it that all orders and resolutions of the Board are carried into effect;
- (c) Submit to the Board as soon as possible after the close of each fiscal year, and to the shareholders at the annual meeting, if applicable, a complete report of the operations of the CCP for the preceding year, and the state of its affairs;
- (d) Report to the Board from time to time all matters which the interest of the CCP may require to be brought to its notice; and
- (e) Perform such other duties and responsibilities as the Board may impose upon him.

The President shall also exercise the following functions:

- (a) To initiate, formulate and develop the policies, programs, plans, and projects of the CCP for the approval of the Board of Trustees;
- (b) To supervise and manage the business affairs of the CCP;
- (c) To implement the administrative and operational policies of the CCP under his supervision and control;
- (d) To appoint, remove, suspend, or discipline employees of the CCP and prescribe their duties and responsibilities, in accordance with the law;
- (e) To oversee the preparation of the budgets and statements of accounts of the CCP;
- (f) To represent the CCP at all official functions;
- (g) To execute on behalf of the CCP all contracts, agreements, and other instruments affecting the CCP, subject to the approval of the Board of Trustees;
- (h) To make reports to the Board and the applicable government agencies;
- (i) He shall also act as the Compliance Officer of the CCP and he/she shall also perform the following duties:
 - [i] Monitor compliance with the provisions and requirements of this Manual;
 - [ii] Appear before the Governance Commission for GOCCs (GCG) upon summon on similar matters that need to be clarified by the same;

- [iii] Determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board;
- [iv] Identify, monitor and control compliance risks.

The appointment of the President as Compliance Officer shall be immediately disclosed to the GCG. All correspondence relative to his/her functions as such shall be addressed to said Office.

Sec. 2. Vice-President for Administration Sector

The Vice-President for Administration Sector shall assist the President in the administrative and financial operations of the CCP, exercising such powers and functions as may be assigned by the President or the Board, and if qualified and so designated, act as President in the absence or incapacity of the latter. In particular, he shall also have the following functions:

- (a) Deposit or cause to be deposited all monies and other valuable effects in the name and to the credit of the CCP in compliance with applicable laws, rules and regulations;
- (b) Regularly and at least quarterly render to the Board an account of the fund condition of funds of the CCP and all of his transactions as such;
- (c) Ensure fund availability on a timely basis and at the most economical means;
- (d) Optimize yields in temporary excess funds;
- (e) Provide relevant and timely financial market information;
- (f) Ensure appropriate coverage and management risk to resources; and
- (g) Perform such other responsibilities as the Board may impose.
- (h) Provide management with accurate, relevant, and timely operating and financial reports and analysis necessary for financial planning and strategy formulation, and monitor actual implementation of budgets, plans and programs towards the achievement of corporate goals;
- (i) Maintain the integrity of accounting records as the basis of the financial statements and reports provided to Management for decision making and

to government regulatory bodies in compliance with statutory requirements;

- (j) Promote investor and public confidence in the CCP by addressing the various information requirements of the investing public and ensuring that all other legal reportorial obligations to the concerned agencies are complied with;
- (k) Strengthen internal controls by monitoring compliance with policies and recommending to Management appropriate actions and changes in systems and procedures in the exigencies of the service; and
- (l) Perform such other responsibilities as the Board may impose.

Sec. 3. Vice-President for Artistic Sector

The Vice-President for Artistic Sector, who may also be called as Artistic Director, shall take charge of the planning, direction, and coordination of all artistic activities of the CCP and shall exercise such other functions that may be assigned by the President or the Board.

Sec. 4. Other Officers

The President shall appoint such other officers as may be necessary to achieve the CCP's purposes and objectives, subject to the approval of the Board and in accordance with law.

Sec. 5. Internal Auditor

The Center shall have in place an independent internal audit system which shall be implemented by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stakeholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

- a) The Internal Auditor shall report to the Board or its designated officer;
- b) The minimum internal control mechanisms for management's operational responsibility shall center on the President, being ultimately accountable for the CCP's organizational and procedural controls;
- c) The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size

and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

Sec. 6. Concurrent Positions

Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as Chairman and President, or President and Corporate Secretary, or as President and Vice President at the same time, subject to applicable laws and regulations.

VI. COMMITTEE

Sec. 1. The Board of Trustees has created special committees prescribing the powers of the committees and the manner in which they shall be exercised.

1.1 Executive and Governance Committee

The Executive and Governance Committee (ExGovCom) shall compose of not less than three (3) members of the Board, with the Chairman of the Board being the Committee Chairman.

The Executive and Governance 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 and Governance Committee in accordance with the CCP's Charter or By-Laws, except with respect to:

- 1.1.1 Approval of the corporate operating budget and supplemental budgets;
- 1.1.2 Filling of vacancies in the Board;
- 1.1.3 Amendment or repeal of By-Laws or the adoption of new By-Laws;
- 1.1.4 Amendment or repeal of any resolution of the Board which by its express terms is not amendable or repealable;
- 1.1.5 Distribution of cash dividends (if applicable);
- 1.1.6 Exercise of powers delegated by the Board exclusively to other committees;
- 1.1.7 Oversee the periodic performance evaluation of the Board and its committees and Management; and also conduct an annual self-evaluation of their performance;
- 1.1.8 Decide whether or not a Trustee is able to and has been adequately carrying out his/her duties as a Trustee bearing

in mind the Trustee'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 trustees serve on multiple boards;

- 1.1.9 Recommend to the Board regarding the continuing education of Trustees, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance.

1.2 Finance Committee

Just like the other Board Committees, Finance Committee (FC) is an extension arm of the Board which shall make preliminary study/evaluation and recommendations on major matters referred by Management to the Board for appropriate action. For this reason, the FC shall consist of at least four (4) members, with at least one member having a solid background in business and finance. The Chairman and members shall hold office for a period of one (1) year. In case of permanent incapacity, resignation, removal or death of a member, the vacancy shall be filled up by appointing, designating one from among the members of the Board of Trustees who shall serve for the unexpired portion of the term.

The FC shall have the following functions:

- 1.2.1 Review CCP business plans and business strategies ensuring consistency with its strategic direction as approved by the Board of Trustees and in accordance with the CCP Charter;
- 1.2.2 Review CCP annual budget and subsequent amendments thereto, if any, as prepared by the Management prior to submission to the Board for final review and approval;
- 1.2.3 Evaluate CCP financial condition and operating performance in the light of the FC's main responsibility of overlooking the Finance and Business concerns of the institution. Specific areas to look at include:
 - a) current financial picture and projections in the short, medium and long term scenarios;
 - b) causes of variances between the approved Corporate Budget (COB) and the latest actual performance; and
 - c) potential problems and recommended solutions.

The Finance Committee will therefore reinforce the role of Audit Committee which is responsible in reviewing the reliability of the financial statements submitted by Management before elevating to the Board for confirmation;

- 1.2.4 Provide guidance to Management particularly to the Business Revenue Group in formulating specific marketing and business development activities consistent with CCP approved business plans and strategic direction;
- 1.2.5 Provide necessary support to the Management in formulating strategies and/or specific action plans to improve/strengthen CCP capital structure and overall financial condition;
- 1.2.6 Assist the Board to oversee CCP borrowing, investing and related financing activities and accordingly, provide guidance in formulating policies, rules and regulations as may be necessary and appropriate to ensure that said activities are undertaken consistent with the approved business plans and strategies of CCP and its mandate as provided for in its Charter;
- 1.2.7 Provide guidance to the Management in formulating specific strategies and action plans to recover exposures/liquefy acquired assets and/or properly dispose non-performing assets of CCP; and
- 1.2.8 Regularly check the status and availability of Program Funds to ensure adequate and appropriate allocation of resources to back up the funding requirements of credit and guarantee proposals in the pipeline. Thus, for any identified deficiency of funds, the committee shall recommend to the Board alternative sources of funds to support the operations and programs of CCP.

1.3 Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) shall consist of at least three (3) Trustees, whose Chairman should have audit, accounting or finance background. The Committee shall be responsible for the following:

- 1.3.1 Oversee, monitor and evaluate the adequacy and effectiveness of CCP Internal Control system, engage and provide oversight of the CCP's Internal and External auditors, and coordinate with Commission on Audit (COA);

- 1.3.2 Review and approve audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
- 1.3.3 Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- 1.3.4 Ensuring that internal auditors have free and full access to all the CCP's records, properties and personal 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;
- 1.3.5 Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the organization through a procedures and policies handbook that will be used by the entire organization.
- 1.3.6 Performing overnight 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 exposures and risk management activities;
- 1.3.7 Developing the Risk Management Policy of the CCP, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the CCP, especially at the Board and Management level; and
- 1.3.8 Providing quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting evaluation on investment proposals.

The ARMC shall meet as often as necessary or as it deems appropriate. It shall periodically meet the chief legal counsel and other senior officers of the CCP. The Chairman shall be responsible for scheduling and presiding

over the meetings as well as for preparing the agenda. As needed, he may request any officer or employee of the CCP, resource persons or consultant, if there is any, to attend the meeting of the committee.

Each member of the committee shall be independent and shall avoid any situation that may result in conflict of an interest in the performance of his official duties. Independence is measured by the member's ability to exercise and express objective judgment on any material issue before the committee, and by the absence of close blood or business relation with anyone from the top-level management of the CCP.

Unless sooner removed for just cause, the Chairman of the Committee shall serve for a period of one (1) year renewable at the discretion of the Board. In case of vacancy resulting from a member's permanent incapacity, resignation, removal or death, the replacement shall serve only for the unexpired portion of the term.

As and when appropriate, the Committee is authorized to call upon members of management, Internal auditors, External Auditors or other persons to attend meetings and provide pertinent information and extend such other assistance, as it may deem necessary to accomplish its functions.

The ARMC shall keep the Chairman of the Board fully informed of its activities, recommendations and issues decided by it for final disposition of the Board, unless it is the Chairman who is the subject of the audit investigation. It shall also work closely with the other board committees and maintain harmonious working relationship with the risk oversight committee.

In the performance of its duties, the ARMC, upon approval of the Board, may hire or retain consultants which shall be paid by CCP.

CCP shall have in place an independent internal audit office, through which the Board and senior management shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

To establish functional independence, ensure transparency and prevent conflict of interests, the Internal Audit Department (IAD) shall directly report to the Audit and Risk Management Committee. It shall, however, be under the administrative supervision of the Executive Management through the President.

1.4 Nomination and Remunerations Committee

The Nomination and Remunerations Committee shall consist of at least three (3) members of the Board. The Committee shall be responsible for the following:

- 1.4.1 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;
- 1.4.2 Review and evaluate the qualifications of all persons nominated to positions in the CCP which require appointment by the Board;
- 1.4.3 Recommend to the GCG nominees for the shortlist in line with CCP Board composition and succession plan;
- 1.4.4 Develop recommendations to the GCG for updating the CPCS and ensuring that the same continues to be consistent with the CCP's culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

1.5 Artistic Committee

The Artistic Committee shall consist of at least three (3) members of the Board. The Committee shall be responsible for the following:

- 1.5.1 Conceptualize, plans, implements and evaluates artistic programs and projects based on CCP's current thrusts;
- 1.5.2 Review and evaluate requests and artistic proposals of individuals, groups and organizations (public and private, local and international, including foreign embassies based in the Philippines) and recommends/decides on appropriate action;
- 1.5.3 Ascertain the need for the formulation of guidelines and policies to ensure the efficient operation of the artistic departments;

- 1.5.4 Recommend CCP officials and employees, artists, cultural workers and groups to represent the CCP/country in local and international events.

Sec. 2. Combining the Mandatory Committees

Nothing herein shall preclude the Governing Board from formally combining the functions of the committees into such combinations that will best serve the interest of the CCP.

Sec. 3. The members of the committees and sub-committees of the Board of Trustees may be removed at any time by the Board of Trustees, and any vacancies in such committees shall be filled by the Board of Trustees.

Sec. 4. All committees and sub-committees of the Board of Trustees shall act by vote of a majority of the members thereof and keep minutes of each of their meetings, which shall be presented at the succeeding meeting of the Board of Trustees.

VII. Duties and Obligations of Trustees and Officers

Sec. 1. *As Fiduciaries of the State.* – CCP Trustees and Officers are fiduciaries of the State in that: (a) they have the legal obligation and duty to always act in the best interest of the CCP, with utmost good faith in all dealings with the properties, interests and monies of the CCP; and (b) they are constituted as trustees in relation to the properties, interests and monies of the CCP.

Sec. 2. *As Public Officials.* – CCP Trustees and Officers are also Public Officials as defined by, and are therefore covered by the provisions of the “Code of Conduct and Ethical Standards for Public Officials and Employees,” with its declared policies:

- (a) To promote a high standard of ethics in public service;
- (b) Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.¹⁷

¹⁷ Sec. 23, R.A. No. 10149

Sec. 3. *Respect for and Obedience to the Constitution and the Law.* – As Public Officials, a Trustee or Officer shall respect and obey the Constitution, and shall comply, and cause the CCP to faithfully and timely comply, with all legal provisions, rules and regulations, and corporate governance standards, applicable to them and to the CCP in which they serve, and to act within the bounds of their Charter, Articles of Incorporation and By-laws.

Sec. 4. *Duty of Diligence.* – The fiduciary duty of diligence of Trustees and Officers to always act in the best interest of the CCP, with utmost good faith in all its dealings with the property and monies of the CCP, includes the obligation to:

- (a) Exercise extraordinary diligence, skill and utmost good faith in the conduct of the business and in dealing with the properties of the CCP, using the utmost diligence of a very cautious person with due regard to all the circumstances;¹⁸
- (b) Apply sound business principles to ensure the financial soundness of the CCP;¹⁹ and
- (c) Elect and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity.²⁰

Every Trustee or Officer, by the act of accepting such position in the CCP, affirms and covenants: (a) to have a working knowledge of the statutory and regulatory requirements affecting the CCP he is to serve, including the contents of its Charter, or Articles of Incorporation and By-laws, the requirements of the GCG, and where applicable, the requirements of other Supervising Agencies; and (b) to always keep himself informed of industry developments and business trends in order to safeguard the CCP's interests and preserve its competitiveness.

Sec. 5. *Duty of Loyalty-* The fiduciary duty of loyalty of Trustees and Officers to always act in the best interest of the CCP, with utmost good faith in all its dealings with property and monies of the CCP, includes the obligation to:

- (a) Act with utmost and undivided loyalty to the CCP;²¹
- (b) Avoid conflicts of interest and declare any interest they may have in any

¹⁸Sec. 19 (b), combined with Sec. 21, R.A. No. 10149

¹⁹ Sec. 19 (d), R.A. 10149

²⁰ Sec. 19 (e) R.A. 10149

²¹Sec. 19 (a), R.A. No. 10149

particular matter before the Board;²² and

- (c) Avoid taking for themselves opportunities related to the CCP's business; using the CCP's property, information or position for personal gain; or competing with the CCP's business opportunities.

5.1. *Avoid Conflict of Interest.* – Trustees and Officers shall at all times avoid any actual or potential conflict of interest with the CCP. Each shall also avoid any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Any question about a Trustee's or Officer's actual or potential conflict of interest with the CCP shall be brought promptly to the attention of the Chairman of the Board, who will review the question and determine an appropriate course of action.

5.2. *Trustee Relation to CCP Properties, Interests and Monies.* – Except for the *per diem* received for actual attendance in board meetings and the reimbursement for actual and reasonable expenses and incentives as authorized by the GCG, any and all realized and unrealized profits and/or benefits including, but not limited to, the share in the profits, incentives of Trustees or Officers in excess of that authorized by the GCG, *stock options*, and other similar offers or grants from corporations where the CCP is a *stockholder or investor*, and any benefit from the performance of Trustees or Officers acting for and in behalf of the CCP in dealing with its properties, investments in other corporations, management of subsidiaries and other interest, are to be held in trust by such Trustee or Officer for the exclusive benefit of the CCP.²³

5.3. *Restitution.* – Pursuant to Section 24 of the Act, upon the determination and report of the Commission on Audit (COA) pursuant to a Notice of Disallowance which has become final and executory, that properties or monies belonging to the CCP which are in the possession of a Trustee or Officer without authority, or that profits which are earned by the Trustee or Officer in violation of his/her fiduciary duty, or the aggregate *per diems*, allowances and incentives received in a particular year are in excess of the limits provided under the Act, the Trustee or Officer receiving such properties or monies shall immediately return the same to CCP.

Failure by a Trustee or Officer to make the restitution within thirty (30) days after a written demand from COA or management has been served, subject such Trustee or Officer with corresponding penalty upon

²²Sec. 19 (c), R.A. No. 10149

²³Sec. 20, R.A. No. 10149

trial and final judgment.²⁴

Sec. 6. *Duty of Confidentiality.* – Pursuant to their duties of diligence and loyalty, a member of the Board or an Officer shall not use or divulge confidential or classified information officially made known to them by reason of their office and not made available to the public, either:

- (a) to further their private interests, or give undue advantage to anyone;
- or
- (b) which may prejudice the public interest.

VIII. LIABILITY

Sec. 1. *Providing Staff Support to Trustees.* – CCP shall provide the members of its Governing Board with reasonable support staff and office facilities to allow them to properly discharge their duties and responsibilities.

Sec. 2. *Obtaining of Trustees and Officers Liability Insurance (TOLI).* – Having imposed the highest level of responsibility and accountability on the members of the Board and Officers, *i.e.*, that of extraordinary diligence, it is equitable that when the CCP itself and/or the members of the Board and Management are hailed before tribunals on matters that are within the official functions and capacity and on matters where business judgment has been exercised in good faith, that there be proper recovery of the costs of litigation and the judgment liability imposed. It is prudent measure therefore for CCP to obtain “Trustees and Officers Liability Insurance” (TOLI) coverage for itself and the members of the Governing Board and Officers against contingent claims and liabilities that may arise from, as well as the expenses that may be incurred in prosecuting, the actions that may be filed against the CCP arising from the actions of the Governing Board and/or Management that may cause loss or damage to third parties.

Nothing in this section shall be construed as to authorize the reimbursement or the incurring of costs, such as the payment of premiums on TOLI coverage, by the CCP on the litigation expenses incurred and the

²⁴Art.24, R.A. No. 10149

judgment liability decreed against a Trustee or Officer for breach of any of his fiduciary duties or for fraud committed in the performance of his or her duties to the CCP and/or its stakeholders.

IX: CORPORATE SOCIAL RESPONSIBILITY AND RELATIONS WITH STAKEHOLDERS

Sec. 1. *Duty to Be Responsive to Stakeholders.* – Every Trustee/Officer who *accepts* the position must be fully aware that he assumes certain responsibilities not only to the CCP and its stakeholders, but also with different constituencies or Stakeholders, who have the right to expect that the CCP is being run in a prudent manner and with due regard to the interests of all Stakeholders.²⁵

Consequently, members of the Board and Officers shall deal fairly with the CCP employees, customers, suppliers and other Stakeholders. No member of the Board or Officer may take unfair advantage of the CCP's employees, customers, suppliers and other Stakeholders through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Sec. 2. *CSR Principles.* – As an integral part of the National Government, the CCP is inherently mandated to be socially responsible, to act and operate as good corporate citizen. The Governing Board shall recognize and perform the obligations the CCP has towards the National Government, its majority stockholder, as well as the minority stockholders when existing, together with the employees, suppliers, customers and other Stakeholders, and the communities in which it operates.

The Trustees, Officers and all its employees are required to abide by ethical policies as mandated by the GCG. The protection of the reputation and goodwill of CCP is of fundamental importance, and Trustees, Officers and employees should be aware of the disciplinary implications of breaches of policy.

Every member of the CCP is encouraged to promptly report any potentially illegal, improper and/or unethical conduct that they become aware of at their workplace or in connection with their work. It will put an environment that enables its people to raise genuine and legitimate concerns internally. However, in the event that the people of the CCP, and/or the stakeholders believe their reporting to management may result in harassment, or undue distress, they may contact the GCG support to report such matters. The GCG provides for an opportunity for concerns to be investigated and ensures appropriate action is taken to resolve the matter

²⁵Sec. 2, SEC Code of Corporate Governance MC No. 2, s. 2002

effectively.

Sec. 3. Formal Recognition of the Stakeholders. –

1. Every member of the CCP Board shall, as an integral part of its Charter Statement and embodied in its Manual of Corporate Governance, identify and formally recognize the CCP's major and other Stakeholders, identify the nature of their interests, provide a hierarchy system of their conflicting interest in the CCP, and provide a clear policy on communicating or relating with Stakeholders accurately, effectively and sufficiently, together with a system of properly rendering an accounting on how the CCP has served its legitimate interests.²⁶

a) Customers/Clients/Sponsors: Individuals, groups, artists, agencies, or entities seeking assistance from CCP through its productions, programs, venues and facilities, in support of their cultural and other artistic endeavours.

b) Officers and Employees: Serving as staff members of the CCP for which its mandate and responsibilities are dutifully carried out with adequate skills, job knowledge and professionalism;

c) Cultural organizations, schools, embassies and other government agencies: Institutions that deal with the programs and projects of CCP for cooperation and exchange of artistic programs.

d) Peer agencies: Entities which benefit in the course of conducting artistic and cultural events with CCP such as the National Commission for Culture and the Arts (NCCA), Department of Education (DepEd), Commission on Higher Education (CHED), other national government agencies and GOCCs.

e) Oversight agencies: Organizations which supervise legal and crucial actions of the Center such as the COA, DBM, CSC, OGCC, and the GCG. Whenever applicable, oversight agencies must help ensure at all times, the continued viability, well-being and support towards CCP and its employees in order that its mandate may be pursued with the best interest at hand.

f) Suppliers/Vendors: Provide goods and services to the CCP in the course of carrying out its business.

2. Hierarchy of Stakeholders' Interests System on Conflicts of Interest

²⁶Sec. 2, SEC Code of Corporate Governance MC No. 2, s. 2002

In the general sense, conflicts of interest arise between CCP and its stakeholders or among the stakeholders as a result of diverse principles. Hence, any board member or executive officer of the CCP shall steer clear of any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Specifically, conflict of interest exists when any of the following is initiated/endorsed by a board member or executive officer:

A. Supplies, attempts to apply, provide information, goods and/or services:

- To CCP endorsed by relatives and friends; and
- To an entity in competition with CCP.

B. Acquires or is attempting to acquire for himself/herself a business opportunity which should belong to the Center.

C. Any question about any director or officer's conflict of interest with the CCP shall be brought promptly to the attention of the President and the Corporate Governance Committee, for which as may be required, such may be escalated to the Chairman of the Board, who will review the conflict-in-question and accordingly determine the course of action.

3. Communicating/Relating to the Stakeholders

The CCP, as a corporate entity, recognizes and observes the following duties and obligations to its stakeholders:

To Customer/Clients/Sponsors: Provide excellent service, courtesy and utmost professionalism through an efficient, effective, reliable and timely disposition of processes for the interest of the CCP and its stakeholders.

To the Officers and Employees: Enhance the quality of life of its officers and employees by providing a competitive compensation package consistent with the GOCC Compensation and Position Classification System and provide opportunities for career development as well as succession plans, through trainings and values formation, to ensure the necessary motivation, integrity, competence and professionalism of CCP officers and employees.

To Cultural organizations, schools, embassies and other government agencies: Ensure the successful implementation of CCP projects and programs for intended beneficiaries as well as the institutions and agencies which the CCP promotes and assists.

To Peer Agencies: Provide assistance and support through CCP's artistic products and programs and expertise.

To Oversight Agencies: Provide accurate and useful information with utmost courtesy, professionalism, and cooperation as an institution of providing artistic excellence, as well as public good governance.

To Suppliers/Vendors: Provide procurement opportunities while adhering to the procurement laws as created by the Government Procurement Policy Board (GPPB).

- Sec. 4. *Employees.*** – Every employee at the CCP is encouraged to-
- (a) Remember that the biggest stakeholder is the Government;
 - (b) Share the vision of CCP;
 - (c) Be accountable to the public;
 - (d) Listen and learn from his/her co-employees;
 - (e) Think and act as a team;
 - (f) Focus on the customers and strive for customer satisfaction;
 - (g) Respect others;
 - (h) Communicate with stakeholders and customers;
 - (i) Deliver results and celebrate success; and
 - (j) Protect the reputation of CCP.

There should be employee development discussions and structured training programs for continuing personal and professional development for employees.

Sec. 5. *Suppliers.* – As with other relationships with the Stakeholders, should aim to develop relationships and improve networking with business partners and suppliers based on mutual trust. CCP should aim to offer, through partnership with its suppliers, the best combination of state-of-the-art technology and world class service, strong customer relations and deep industry knowledge and experience, together with the capacity to implement and deliver value-added solutions on time and within budget.

Sec. 6. *Health and Safety.* – CCP aims to ensure a safe and healthy working environment for all its employees, outside contractors and visitors. It should comply with all relevant local legislation or regulations, and best practice guidelines recommended by national health and safety authorities. The staff should be informed regarding the policies and practices of the CCP in order to maintain a healthy, safe and enjoyable environment.

Sec. 7. *Environment.* – CCP considers that there are inevitable environmental impacts associated with daily operations. It shall be the goal of CCP to minimize harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. As such, the CCP strongly encourages the 3 R's: "*Reduce*", "*Re-use*", and "*Recycle*".

The CCP will issue policies to reduce consumption of energy, water and other natural resources. It will also strive to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing our impact on the environment. In doing so, by adopting simple, environmentally friendly initiatives, the CCP will raise awareness among the members of the communities and its clients.

X. COMMUNICATION PROCESS

This Manual shall be available for inspection by any stakeholder of the Center at reasonable hours on business days. All trustees and officers are tasked to ensure the thorough dissemination of this Manual to all employees and to likewise ensure compliance in the process.

An adequate number of printed copies of this Manual must be reproduced under the supervision of Human Resource Management Department, with a minimum of at least one (1) hard copy of the Manual per department.

XI. TRAINING PROCESS

If necessary, funds shall be allocated by the President or its equivalent officer for the purpose of conducting an orientation program or workshop to keep this Manual in operation.

A trustee shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

XII. DISCLOSURE AND TRANSPARENCY REQUIREMENTS

Sec.1. *Transparency as the Essence of Corporate Governance* – As transparency is the essence of corporate governance, the CCP shall disclose all material information to the National Government and the public, its ultimate stakeholder, in a timely and accurate manner at all times.

Sec. 2. *CCP Manual of Corporate Governance* – The CCP Acting Board shall promulgate and adopt its corporate governance rules and principles in accordance with the GCG Code of Corporate Governance, and which it shall contain the items stated thereto.

The CCP Manual of Corporate Governance shall be submitted to the GCG and shall be available for inspection by any of the identified Stakeholders of CCP at reasonable hours on business days.

Sec. 3. *Mandatory Website* – In accordance with Section 25 of the GOCC Act and of the GCG Code of Corporate Governance, the CCP shall maintain a website and post therein for unrestricted public access the following: (a) institutional matters; (b) board and officers; (c) financial and operational matters; (d) governance matters; and (e) such other information or report that the GCG may require.

Sec. 4. *The CCP shall be an Active Participant in the Integrated Corporate Reporting System (ICRS)* – In pursuit of national development and providing better service to the public and ensure the CCP's faithful performance of its mandate using standards of good governance, transparency, accountability and responsibility, the CCP Board and its Management, shall become an active and responsible member and contributor to the ICRS project of GCG, by creating an extensive database and comprehensive information on CCP.

Sec. 5. *Mandatory Reports* – The Board shall regularly submit, as may be required by the GCG and other Government Agencies the following:

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

Sec. 6. Other Reportorial Requirements – The CCP shall submit to the GCG periodically in electronic form the reports as stated by GCG in its Manual of Corporate Governance.

Sec. 7. The format and schedule of submission for the various reports shall be provided by the GCG in consultation with the Department of Finance (DOF), Department of Budget and Management (DBM), Commission on Audit (COA) and other related Government Agencies as may be proper.

Sec. 8. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Center’s Compliance Officer or duly-designated official.

Sec. 9. All material information, i.e., anything that could potentially affect the CCP shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, and other related party transactions.

c) The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders.

Sec. 10. Formal Charter of Expectations of Each Trustee

The CCP Board of Trustees has established the following Charter of Expectations for each Trustee that each shall sign and be committed to:

- a) To conduct fair, honest and competent transactions with its stakeholders and avoid conflict of interest at all times. He/she shall not directly or indirectly participate in any disagreements or conflicts that may affect the interests of the CCP and its stakeholders.
- b) To uphold the highest standards of integrity in his/her personal and professional dealings with the CCP management, employees and its stakeholders and willing to act upon and remain accountable for his/her board room decisions;
- c) To exercise independent judgment and view each problem and situation objectively. When a disagreement occurs, he/she should evaluate the situation carefully and state his/her position.
- d) To devote time and attention necessary to properly discharge his/her official duties as a trustee.

- e) To always act honestly, efficiently, effectively in good faith, with loyalty and pursue the best interest of the CCP as well as give due regard to the rights and interests of the stakeholders.
- f) Each Board member or officer shall not solicit, nor accept directly or indirectly, any gift, gratuity, favour, entertainment, loan or anything of monetary value from any person where such gift:
 - Would be illegal or in violation of a law;
 - Is part of an attempt or agreement to do anything in return;
 - Has a value beyond what is normal and customary in CCP's business;
 - Is being made to influence the member of the Board's or Officer's actions as such; or
 - Could create the appearance of a conflict of interest.
- g) To provide the Chairperson or CEO of important and significant information for the interest of the CCP;
- h) To maintain an excellent board attendance which is not less than 90% without extenuating circumstances;
- i) To assess objectively and constructively the performance of each Board member as well as the various committees he/she is involved in.
- j) To be a positive force in the Board decisions and resolutions.

Sec. 11. Statement of Trustees Confirming the Truth and Fairness of the CCP Financial Statements

Each Board member shall issue annually a Sworn Statement confirming to the truth and fairness of the CCP's financial statements for submission to GCG pursuant to its requirements.

XIII. EXECUTION OF INSTRUMENTS

Upon proper Board authority, the President shall execute contracts for and in behalf of the CCP. However, he may delegate the signing authority to any other officer, including approval or requisitions, vouchers, payrolls, and other documents, in accordance with the law.

All checks and other orders for the payment of money, drafts, notes, bonds, acceptances and all other instruments, shall be signed by any two (2) of the President, Vice President or Treasurer, Comptroller, or any senior officer designated by the President, except as may otherwise be provided by, or pursuant to the resolution by the Board.

XIV. AMENDMENTS

This CCP Manual of Corporate Governance may be altered, amended, added to or repealed at any meeting of the Board of Trustees by a majority vote, and no notice of such proposed change in this Manual shall be necessary prior to such meeting, and any such changes shall become operative immediately upon the same being made.

XV. PENALTIES FOR NON-COMPLIANCE

Any violation of this Manual shall be dealt with accordingly.

The Corporate Governance Committee shall, upon recommendation of the Compliance Officer, be responsible for determining violations and recommend the probable imposable penalty for violations or non-compliance to the Board. The Board shall make the final decision on the imposable penalty for all violations.

XVI. EFFECTIVITY

This Manual shall take effect upon approval of the Governance Commission for GOCCs (GCG).



Cultural Center of the Philippines

VISION/MISSION/OBJECTIVES

VISION

Art matters to the life of every Filipino.

MISSION

Be the leading institution for arts and culture in the Philippines by promoting artistic excellence and nurturing the broadest publics to participate in art making and appreciation.

Artistic Excellence. Create, produce and present excellent and engaging artistic and cultural experiences from the Philippines and all over the world.

Arts for Transformation. Nurture the next generation of artists and audiences who appreciate and support artistic and cultural work.

Sustainability and Viability. Achieve organizational and financial stability for the CCP to ensure the continuity of its artistic and cultural program and contribute to the flourishing creative industry in the Philippines.

Human Resource Development. Develop a loyal, competent and efficient workforce towards fulfilling a vital role in the cultural institution.

OBJECTIVES



PERFORMANCE PLEDGE

We, the officials and employees of the Cultural Center of the Philippines, wholeheartedly commit to:

Always serve the public diligently and efficiently, with utmost courtesy and the highest degree of integrity, whenever our expertise and services are needed.

Respond promptly to all inquiries and complaints about our services from arts and culture enthusiasts and the general public.

Take pride in the continued promotion of artistic excellence, cultural values, Filipino aesthetics and national identity towards a humanistic global society.

