

Corporate Governance Compliance Statement

The Power Sector Assets and Liabilities Management Corporation (PSALM) strictly adheres to the principles of good governance and fully complies with the Code of Corporate Governance of the Governance Commission for GOCCs (GCG).

PSALM's Manual of Corporate Governance, pursuant to GCG Corporate Governance Code, embodies a set of rules that define the relationship between stakeholders, board of directors, management and employees. It also defines their responsibilities and functions to enable the fulfillment of corporate goals, control risks and assure compliance.

PSALM Board, through the Board Review Committee and Audit Committee, provides general directions on the firm's privatization, financial and liability management and Universal Charge administration mandates.

PSALM Board yearly reviews PSALM's vision and mission statements, strategy map and performance scorecard. The Executive Committee, composed of PSALM's top management, regularly meets to deliberate on top financial, operational, and reputational risks besetting the organization and reports and presents such issues to the Board for its direction and program options.

The Executive Committee also ensures that the Board policies are fully implemented within the ambit of good governance. PSALM periodically holds managers' conferences and strategic planning workshops providing opportunity for middle and senior managers to report valuable information and suggestions from the inside of an organization contributing to a better coordination, implementation of strategies and attainment of goals.

Moreover, employees are well represented in various internal committees and decision-making processes through the PSALM Association of Corporate Employees (PACE).

The Bids and Awards Committee regularly convenes to map-out privatization strategies for PSALM's power and non-power assets and real estate properties following applicable laws, rules and regulations and to address complex asset specific issues affecting its privatization program.

PSALM also strictly adheres to the Manual of Approvals that was approved by the PSALM Board, outlining the various levels of authority in the organization. PSALM's

procurement activities are within the provisions of Republic Act No. 9184 (Government Procurement Reform Act).

PSALM's Regular Bids and Award Committee ensures that all its important procurement activities are within the processes prescribed by the law. PSALM is also ISO 9001:2015 certified affirming that its business processes and quality management systems are at par with international standards.