

## Board Committees

Two (2) Board Committees<sup>1</sup> were created in order to institutionalize a more effective and responsive structure for good corporate governance:

- 1) Board Audit Committee (AuditCom) - This Committee is tasked to conduct financial, performance and fiduciary/compliance audit of PSALM, including recommendations to the Board for the selection, appointment and removal of the Internal Audit Department personnel.
- 2) Board Review Committee (BRC) - The BRC shall have the primary function of prior review of all submissions of the PSALM Management to the Board which shall include, among others:
  - Endorsements on:
    - Policy matters involving the privatization of power and non-power assets, including the terms and conditions of privatization (formerly a function of the Board as the Privatization, Bids and Awards Committees (PBAC) on Genco and TransCo);
    - Risk management concerns and compliance with the system of limits to discretionary authority that the Board delegates to PSALM Management (formerly a function of the dissolved Board Risk Management Committee);
    - Recommendations for the selection, appointment and removal of PSALM Vice Presidents and the plantilla personnel in the Office of the Corporate Secretary (function of a Board Selection Committee)
    - Recommendations for compensation/remuneration and benefits consistent with the GOCC Compensation and Position Classification System developed by the Governance Commission for GOCCs and formally approved by the President of the Philippines as well as GCG Memorandum Circular No. 2014-05 dated 22 September 2014.

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<sup>1</sup> Board Resolution 07-35 (2007)