

### SECRETARY'S CERTIFICATE

I, **JESSIE R. REOTUTAR**, acting in my capacity as Corporate Board Secretary of the Small Business Corporation, a government-owned and controlled corporation created by virtue of R.A. 6977, as amended by R.A. 8289 and further amended by R.A. 9501, after being duly sworn to in accordance with law, hereby certify that in the 247<sup>th</sup> Meeting of the Board of Directors of the Corporation held on 18 December 2013 at the SB Corporation Board Room, 18/F 139 Corporate Center, 139 Valero St., Salcedo Village, Makati City and at which a quorum was present, the following Resolution was duly passed and approved:

#### BOARD RESOLUTION NO. 2044, SERIES OF 2013

#### AMENDMENTS TO THE SBC CODE OF CORPORATE GOVERNANCE

**"RESOLVED:** That considering that they are consistent with the Magna Carta for mSMEs and the GOCC Governance Act of 2011 governing corporate governance and as favorably endorsed by the Corporate Governance Committee, the amendments to the SBC Code of Corporate Governance, a copy of which is attached as Annex "A" and made an integral part hereof be, as it is hereby approved."

**APPROVED.**

Makati City, 18 December 2013.



**JESSIE R. REOTUTAR**  
Corporate Board Secretary

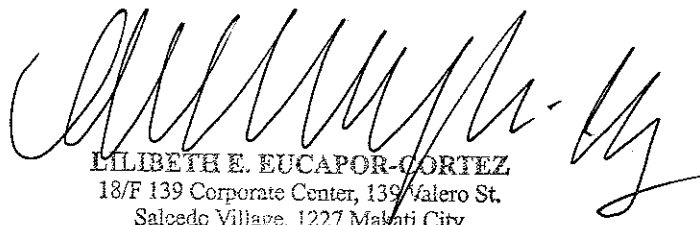
#### O A T H

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S.S.

**18 DEC 2013**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3539-9.

Doc. No. 197 ;  
Page No. 41 ;  
Book No. XIII ;  
Series of 2013.



**LILIBETH E. EUCAPOR-CORTEZ**  
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Salcedo Village, 1227 Makati City  
Notrl. Com. No. M-06/Unit 12-31-14  
PTR No. 3671334/1.3.13/Makati City  
IBP No. 914021/1.3.13/Pangasinan  
Roll of Attorneys No. 49169  
MCLE Compliance No. IV-00002308/8.3.11

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**JESSIE R. REOTUTAR**  
Corporate Board Secretary

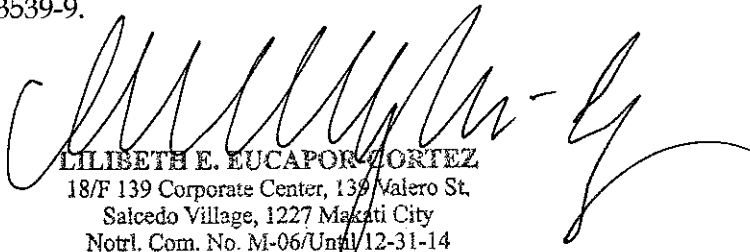
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**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3539-9.

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Series of 2013.

  
**LILIBETH E. LUCAPORT CORTEZ**  
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**Proposed Amendments to the SBC Code of Corporate Governance**

From	To	Remarks
<p>Section III SBC Board</p> <p>1. Composition of the Board</p> <p>Item 6. As prescribed in the “Magna Carta for Micro, Small and Medium Enterprise” (RA 9501), the Board of Directors of SBC shall be composed of eleven (11) members, as follows:</p> <p>a) The Secretary of Trade and Industry;</p> <p>b) The Secretary of Finance;</p> <p>c) A private sector representative to be appointed by the President upon the recommendation of the MSMED Council;</p> <p>d) Seven (7) representatives of the SB Corporation common stock shareholders; and</p> <p>e) The president of the SB Corporation as ex-officio member and to serve as vice chairman of the Board.</p>	<p>Section III SBC Board</p> <p>1. Composition of the Board</p> <p>Item 6. X x x.</p> <p>a) X x x;</p> <p>b) X x x;</p> <p>c) A private sector representative to be appointed by the President upon the recommendation of the MSMED Council <i>and the Governance Commission for GOCCs (GCG)</i>;</p> <p>d) Seven (7) representatives of the SB Corporation common stock shareholders <i>based on proportional distribution in accordance with Section 24 of the Corporation Code</i>; and</p> <p>e) X x x.</p>	<p>To be consistent with Sec. 15 of RA 10149 (GOCC Governance Act of 2011).</p> <p>As provided for under Sec. 14 of RA 9501.</p>
<p>Item 7. The election of the seven (7) directors from the SB Corporation’s common stock shareholders shall be based on proportional distribution, in accordance with Section 24 of the Corporation Code.</p>	<p>Item 7. <i>All Appointive Directors, or all members of the Board of Directors who are not ex-officio members, shall be appointed by the President of the Philippines from a shortlist prepared by the GCG.</i></p>	<p>As provided for under Sec. 15 of RA 10149.</p>
<p>Item 8. All members of the Board so appointed, except for the ex-officio members, shall serve for a term of three (3) years without re-appointment. The person so appointed to replace a member</p>	<p>Item 8. <i>The term of office of each Appointive Director shall be for one (1) year, unless sooner removed for cause; Provided, however, That the Appointive Director shall continue to hold office until the successor is</i></p>	<p>As provided for under Sec. 17 of RA 10149.</p>

<p>who has resigned, died, or been removed for cause shall serve only the unexpired portion of the term.</p>	<p><i>appointed. An Appointive Director may be nominated by the GCG for reappointment by the President.</i>  <i>Appointment to any vacancy shall only be for the unexpired term of the predecessor.</i></p>	
<p>2. Powers of the Board</p> <p>Item 9. The Board of Directors shall have, among others, the following specific powers and authorities:</p> <ul style="list-style-type: none"> <li>a) X x x;</li> <li>b) X x x;</li> <li>c) X x x;</li> <li>d) X x x;</li> <li>e) X x x;</li> <li>f) Notwithstanding the provisions of Republic Act No. 6758 and Compensation Circular No. 10, Series of 1989 issued by the Department of Budget and Management, the board shall have the authority to provide for the organizational structure and staffing pattern of SB Corporation and to extend to the employees and personnel thereof salaries, allowances and fringe benefits similar to those extended to and currently enjoyed by the employees and personnel of other government financial institutions.</li> </ul>	<p>2. Powers of the Board</p> <p>Item 9. X x x:</p> <ul style="list-style-type: none"> <li>a) X x x;</li> <li>b) X x x;</li> <li>c) X x x;</li> <li>d) X x x;</li> <li>e) X x x;</li> <li>f) Notwithstanding the provisions of Republic Act No. 6758 and Compensation Circular No. 10, Series of 1989 issued by the Department of Budget and Management, the board shall have the authority to provide for the organizational structure and staffing pattern of SB Corporation and to extend to the employees and personnel thereof salaries, allowances and fringe benefits similar to those extended to and currently enjoyed by the employees and personnel of other government financial institutions, <i>subject to the provisions of the Compensation and Position Classification System to be developed by the GCG and approved by the President.</i></li> </ul>	<p>To be consistent with Sec. 8 of RA 10149.</p>

<p>Section VII Disclosure and Transparency</p> <p>1. Financial Reporting</p> <p>Item 67. SB Corporation shall prepare the consolidated financial statements and the condensed set of financial statements contained in the half-yearly financial report in accordance with International Financial Reporting Standards (IFRS), as adopted by the Philippines. Annual financial reports shall be published at the latest four months after the end of the reporting period, half-yearly financial reports at the latest two months after the end of the reporting period, and shall be publicly available for at least five years.</p>	<p>Section VII Disclosure and Transparency</p> <p>1. Financial Reporting</p> <p>Item 67. SB Corporation shall prepare the consolidated financial statements and the condensed set of financial statements contained in the half-yearly financial report in accordance with International Financial Reporting Standards (IFRS), as adopted by the Philippines. Annual financial reports shall be published at the latest four months after the end of the reporting period, half-yearly financial reports at the latest two months after the end of the reporting period, and shall be publicly available for at least five years. <i>The Board shall approve the release of the annual financial statements, which approval shall be accompanied by a statement confirming the truth and fairness of the financial statements similar to a Statement of Management Responsibility.</i></p>	<p>The approval by the Board of the release of the annual FS (prior to its submission to COA) is already being observed. The inclusion of the statement by the Board confirming the truth and fairness of the financial statements is being required by GCG MC No. 2012-07.</p>
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