



Specialized Board Committees

To aid in complying with the principles of good corporate governance, the SBC Board of Directors has established four (4) specialized committees which shall serve to improve the efficiency of the work of the Board and shall deal with complex issues. The four committees are the following:

- a) Corporate Governance Committee (CGC);
- b) Risk Oversight Committee (ROC);
- c) Board Audit and Compliance Committee (BACC); and
- d) Board Executive Committee (BEC)

At present, Dir. Zenaida C. Maglaya chairs the CGC with Dir. Gil S. Beltran and Dir. Merly M. Cruz, as members. On the other hand, Dir. Benel P. Laguna chairs the ROC with Dir. Zenaida C. Maglaya, Dir. Andres C. Sarmiento and Dir. Ajijul Adam Taradji, as members. Dir. Andres C. Sarmiento chairs the BACC with Dir. Gil S. Beltran, Dir. Zenaida C. Maglaya and Dir. Ajijul Adam Taradji as members. Finally, Dir. Zenaida C. Maglaya chairs the Board Executive Committee with Dir. Benel P. Laguna and Dir. Andres C. Sarmiento as members.

For the Authority, Composition, Duties and Responsibilities, Frequency of Meeting and other information regarding the four committees, please refer to the attached Charters of the CGC, ROC and BACC. Also, please refer to Board Resolution No. 2175, series of 2015 for the setting up of the Board Executive Committee.

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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 193rd Meeting of the Board of Directors of the Corporation held on 25 June 2009 at the Shanghai Bistro, 3/F Paseo Center, 8757 Paseo de Roxas, Makati City and at which a quorum was present, the following Resolution was duly passed and approved:

BOARD RESOLUTION NO. 1619, SERIES OF 2009

CONFIRMATION OF THE CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

"RESOLVED: That as favorably recommended by the Corporate Governance Committee, the Charter of the Committee, a copy of which is herein attached as Annex "A" hereof be, as it is hereby confirmed."

CONFIRMED/APPROVED.

Makati City, 17 September 2010.

JESSIE R. REOTUTAR
Corporate Board Secretary

OATH

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

SUBSCRIBED AND SWORN to before me this 17 2010 at Makati City, affiant exhibited to me his Com. Tax Cert. No. 01492534 issued on 06 January 2010 at Manila.

Doc. No. 308;
Page No. 63;
Book No. 3;
Series of 2010.

LIBERTY SUE KROKOFF
15/F PASSEO CENTER, 8757 VALERO ST
SALCEDO VILLAGE, MAKATI CITY
NOTRL COMMISSION NO. RA-431 UNTIL 12 31 10
PTE NO. 0000547 / CIL D. 13 / MAKATI CITY
IEP NO. 615295 / 01 20 / PANGASINAN
ROLL OF ATTORNEYS NO. 45169
MCLE COMPLIANCE NO. III-0000459

SMALL BUSINESS CORPORATION

CHARTER OF THE BOARD CORPORATE GOVERNANCE COMMITTEE

Corporate governance is a system and process of ensuring that a corporation is governed in a manner consistent with the principles and practices of a free and open society and of a competitive market economy. It assigns final authority and full responsibility to a Board of Directors, whose decision-making process is collegial and participatory, where independent and outside views are valued and given due weight. The Board of Directors seek to maximize shareholders' value through fairness, transparency and accountability.

The Board of Directors of SB Corporation shall actively promote corporate governance reforms and pursue the observance of the principles of fairness, accountability and transparency. The Corporate Governance Committee (CGC) shall assist the Board in fulfilling its corporate governance responsibilities. It shall be responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines.

A. Composition

The CGC shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors. The members of the Committee shall be appointed by the Board.

B. Meetings

The CGC shall meet at least once every quarter, with authority to convene additional meetings as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. Other Board members, members of management and other persons shall be invited to attend meetings to provide pertinent information or serve as resource persons.

C. Duties and Responsibilities

The CGC shall carry out the following duties and responsibilities:

1. **Formulate and institutionalize the Corporation's Code of Corporate Governance and Code of Ethics and ensure adherence to the Codes;**
2. **Review from time to time the Code of Corporate Governance, the Code of Ethics and the CGC Charter and recommend any changes to the Board;**

3. **Ensure attendance of Directors to corporate governance seminars conducted by BSP-accredited governance program seminar/training providers;**
4. **Determine if there is any potential conflict of interest by a Director and key officers, and institute a process for handling these situations in accordance with existing laws, rules and regulations and in line with global as well as ethical and other regulatory standards;**
5. **Oversee the periodic performance evaluation of the Board and its Committees. It shall also conduct an annual self-evaluation of its performance;**
6. **Decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholders' value;**
7. **Review regularly the organization plan and structure including proposed organizational changes/enhancements, compensation package (benchmarked with other GFIs as provided for by RA 9501) as well as manpower plan to ensure adequacy in meeting the growth need of the Corporation;**
8. **Review and evaluate the qualifications of all persons nominated to positions requiring appointment by the Board of Directors;**
9. **Oversee the Corporation's compliance efforts with respect to the Code of Corporate Governance, Code of Ethics, and related laws, rules and regulations as well as company policies and procedure;**
10. **Network with other offices with the end view of reviewing programs designed to raise the culture of ethics and compliance within the Corporation, and corollarily, to install an enforcement mechanism which should sanction non-compliance and unethical behavior while rewarding the deserving ones.**

The compliance functions of the CGC shall cover non-financial matters. Whenever necessary, the CGC shall jointly work with the Audit and Compliance Committee to make sure that governance and compliance aspects of a particular issue are thoroughly and adequately addressed.

D. Support

The Corporate Planning Office shall be the lead unit in coordinating the activities of the Committee as well as in providing technical support services to the Committee. On the other hand, the Office of the Board Secretary shall provide secretariat services.

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 194th Meeting of the Board of Directors of the Corporation held on 30 July 2009 at the SBC 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. 1627, SERIES OF 2009

CONFIRMATION OF AUDIT AND COMPLIANCE COMMITTEE CHARTER

"RESOLVED: That as favorably recommended by the Audit and Compliance Committee, the Charter of the Committee, a copy of which is attached as Annex "A" and made an integral part hereof be, as it is hereby confirmed."

CONFIRMED/APPROVED.

Makati City, 17 September 2010.

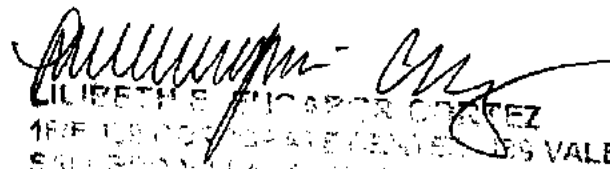

JESSIE R. REOTUTAR
Corporate Board Secretary

O A T H

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

SUBSCRIBED AND SWORN to before me this SEP 17 2010 at Makati City, affiant exhibited to me his Com. Tax Cert. No. 01492534 issued on 06 January 2010 at Manila.

Doc. No. 306;
Page No. 63;
Book No. 3;
Series of 2010.


LILIBETH E. LICARPUR CORTEZ
18/F 139 CORPORATE CENTER, 139 VALERO ST.
SALCEDO VILLAGE, MAKATI CITY
NATL. COMMISSION ON ELECTIONS UNTIL 12.31.10
ELECTION DIVISION, 1000 PANGASINAN
ROAD, MANILA 1000
MCLE COMPLIANCE NO. III-0000459

*rec'd by
M...
9/17/2010*

SMALL BUSINESS CORPORATION AUDIT AND COMPLIANCE COMMITTEE CHARTER

MISSION

The Audit and Compliance Committee (ACC) of the Small Business Corporation (SBC) is a standing committee of the Board of Director ("Board"). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the Code of Conduct.

Management shall be responsible in determining that SBC's financial statements and disclosure are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

AUTHORITY

The Committee shall have the explicit authority to conduct or authorize investigations into any matters within its scope of responsibility and full access to and cooperation by Management. Adequate resources shall be provided to enable it to effectively discharge its functions. It is empowered to:

- Resolve any disagreements between management and the internal auditor regarding financial reporting
- Pre-approve all audit work plan
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation
- Seek any information it requires from employees-all of whom are directed to cooperate with the committee's requests-or external parties
- Meet with company officers, external auditors, or outside counsel, as necessary

COMPOSITION

The Committee shall be composed of at least three (3) Board members, two (2) of whom shall be independent directors, preferably with accounting, auditing or related financial management expertise or experience. The members of the ACC shall be appointed by the Board.

MEETINGS

The Committee shall meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee shall invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It shall hold private meetings with auditors / compliance officer and executive sessions as necessary. Meeting agendas shall be prepared and provided in advance to members, along with appropriate briefing materials. Minutes shall be prepared.

RESPONSIBILITIES

The Committee shall carry out the following responsibilities:

Financial Statements

- Review the quarterly, half-year and annual financial statements focusing particularly on any change/s in accounting policies and practices, major judgment areas, significant adjustments resulting from the audit, going concern assumption, compliance with Philippine Financial Reporting Standards, and compliance with tax, legal and Commission on Audit / Bangko Sentral ng Pilipinas requirements
- Receive and review reports of internal auditor and regulatory agencies and ensure that Management is taking appropriate corrective actions in timely manner in addressing control and compliance functions with regulatory agencies.
- Review interim financial reports with management before filing with regulators and consider whether they are complete and consistent with the information known to committee members.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.

Internal Control

- Consider the effectiveness of the company's internal control system, including information technology security and control and coordinate with the Commission on Audit
- Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the chief audit officer the charter, plans, activities, staffing and organizational structure of the internal audit function.
- Establish and identify the reporting line of the chief audit officer so that reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit officer shall report directly to the Audit and Compliance Committee functionally. The Committee shall ensure that the internal auditors shall have free and full access to all the Company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity should be free from interference in determining the scope of internal audit examinations, performing work, and communicating results, and shall provide a venue for the Committee to review and approve the annual internal audit plan.

- Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit officer.
- On a regular basis, meet separately with the chief audit officer to discuss any matters that the committee or internal audit believes should be discussed separately.

Corporate Compliance

- Oversee the corporate compliance program, including policies and practices designed to ensure the organization's compliance with all applicable legal, regulatory, and ethical requirements. These include compliance with RA 9501 (Magna Carta for mSMEs), COA and BSP rules and regulations, and applicable Philippine Financial Reporting Standards (PFRS).
- Recommend approval of the annual corporate compliance plan and review processes and procedures for reporting concerns by officers, employees and others.
- Recommend organizational integrity guidelines and a Code of Conduct. Review and reassess the guidelines and Code of Conduct at least annually.
- Review resources for corporate compliance with the compliance officer and CEO to ensure that sufficient resources are provided.
- Review and evaluate findings and recommendations from completed compliance activities and audits, including management responses and action plans.
- Report to the Board of Directors at least annually on the corporate compliance program.

Existing provisions:

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the Board about committee activities, issues and related recommendations.
- Provide an open avenue for communication between internal audit, the external auditors, and the Board of Directors
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation



**SMALL
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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 a referendum among the members of the Board of Directors of the Corporation held on 07 March 2014 and at which a quorum was present, the following Resolution was duly passed and approved:

BOARD RESOLUTION NO. 2067, SERIES OF 2014

APPROVAL OF AMENDED RISK OVERSIGHT COMMITTEE CHARTER

"RESOLVED: That as favorably endorsed by the Risk Oversight Committee, the Amended Risk Oversight Committee Charter incorporating the amended section on committee membership to adopt the exact provision of BSP Circular No. 749 dated 27 February 2012 which reads: "The committee shall be composed of at least three (3) members of the board of directors including at least one (1) independent director, and a chairperson who is a non-executive member", a copy of which is attached as Annex "A" and made an integral part hereof be, as it is hereby approved."

APPROVED.

Makati City, 14 March 2014.


JESSIE R. REOTUTAR
Corporate Board Secretary

O A T H

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

MAR 14 2014

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

Doc. No. 2067 ;
Page No. 12 ;
Book No. XV ;
Series of 2014.



LILIBETH E. EUCAFOR-CORTEZ
Commission No. 14-06
Notary Public for Makati City
Until December 31, 2014
18/F 139 Corporate Center,
139 Valero St., Salcedo Village, Makati City
Roll No. 49169 / 05-04-2004
IBP OR No. 950404 / 1.03.14 / Pangasinan
PTR No. 4225974 / 01.03.14 / Makati City

RECEIVED

Chavez
MAR 11 P.M. 3:03 PM

17th and 18th Floors, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City, 1227 Makati City, Philippines
Telephone: (632) 751-1888 Fax: (632) 613-5727 / 894-1677 E-mail: sbcorporation@sbgfc.org.ph
Website: www.sbgfc.org.ph



Small Business Corporation Risk Oversight Committee Charter

I. RATIONALE

This Charter sets forth the objectives, composition, structure, powers, and responsibilities of the Risk Oversight Committee of the Small Business Corporation (SBC).

The Risk Oversight Committee (ROC) was established pursuant to the implementation of SBC's strengthened mandate under R.A. No. 9501; its compliance with BSP Circular Nos. 439 and 456 enunciating the need for a sound and effective credit risk management system in particular, and its need to manage risk in general through the establishment of a Risk Oversight Committee; and as part of the corporate checks and balances in the exercise of good corporate governance – all within the framework of and taking into consideration its fiduciary objectives and developmental mandate – as provided in BSP Circular No. 749.

II. ROLE

The ROC shall be primarily responsible for the development and oversight of the risk management programs of the Corporation. This includes:

1. Oversight of management function relative to the Corporation's risk management framework, its formulation of risk management policies, procedures and best practices relative to the various types of risks faced by the Corporation and thereby ensuring that the system of limits to discretionary authority which the Board delegated to Management are:
 - a. Properly observed;
 - b. Remains to be effective; and
 - c. That immediate corrective actions are taken whenever limits are breached
2. Ensure compliance to written policies and procedures relating to risk Management. This shall include:
 - a. A comprehensive and integrated risk management approach through the enterprise risk management process.
 - b. Effective management of all risk categories thru the establishment and promotion of a sustainable and effective risk culture in all corporate undertakings.
 - c. Identification of critical risk areas and ensure that these are properly mitigated.



Small Business Corporation Risk Oversight Committee Charter

III. AUTHORITY

The ROC is empowered to:

1. Approve the risk management program prepared by the Enterprise Risk Management Department (ERMD).
2. Exercise functional supervision over ERMD. Administrative supervision of ERMD shall be under the Chairman and Chief Executive Officer.
3. Review the staffing and organizational structure of the ERMD.

IV. DUTIES AND RESPONSIBILITIES

A. Core Responsibilities

The core responsibilities of the ROC are:

1. **Identify and Evaluate Exposures.** The ROC shall assess the probability of each risk becoming reality and estimate its possible effect and cost. Priority areas of concern are those risks that are most likely to occur and are costly when they happen.
2. **Develop Risk Management Strategies.** The ROC shall:
 - a. Develop a written plan defining the strategies for managing and controlling the major risks.
 - b. Identify practical strategies to reduce the chance or harm and failure or minimize losses if the risk becomes real.
3. **Implement the Risk Management Plan.** The ROC shall:
 - a. Communicate the risk management plan and loss control procedures to affected parties.
 - b. Conduct regular discussions on the Corporation's current risk exposure based on regular management reports and direct concerned units or offices on how to reduce these risks.
4. **Review and Revise the Plan as Needed.** The ROC shall:
 - a. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness



Small Business Corporation Risk Oversight Committee Charter

- b. Revisit strategies, look for emerging or changing exposures, and stay abreast of developments that affect the likelihood of harm or loss.
- c. Report regularly to the Board of Directors the entity's overall risk exposure, actions taken to reduce the risks, and recommend further action or plans as necessary.

B. Specific Duties and Responsibilities Risk Management

The Committee shall meet with, request/gather (or compel submission, in proper cases), receive and evaluate information from management and appropriate sources and act or approve proposals on items relating to the following risks:

1. Credit Risk

The ROC shall ensure that appropriate credit risk management systems such as the borrower risk rating and the facility risk rating are developed; concentration and exposure limits are well-defined; documentation are perfected and proper monitoring covenants are to ensure that the Corporation's borrowers or counterparties are able to meet their obligations on time and based on agreed terms.

2. Operational Risk

The ROC shall review Management reports relating to operational risk issues in areas including but not limited to internal and external fraud; development of material products and services; technological risks and technology strategies; business disruption and system failure; and business practices generally.

3. Compliance Risk

The ROC shall ensure that the Corporation is taking appropriate measures to address all existing regulatory requirements, and new requirements that may be enacted hereafter, including those under the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission, the Commission on Audit and other regulatory agencies as may be required by higher authorities.

4. Market Risk

The ROC shall ensure that the Corporation has in place policies that will protect it from market fluctuations in the trading of assets and liabilities wherein sudden and unexpected changes in interest rates, foreign exchange rates, and other asset prices can result to huge losses which may impair revenue generation.



Small Business Corporation Risk Oversight Committee Charter

5. Liquidity and Solvency Risks

The Committee shall ensure that the Corporation has enough liquid assets to service its short-term liabilities and thus prevent any adverse impact on its solvency. Policy should address optimum timing in asset and liability disposal and asset acquisition to preclude any mismatch in cash flows.

In like manner, the Committee shall ensure that the Corporation thru prudent risk management strategies and exposure limits is able to avert huge losses that can result to insolvency. Safeguards should be in place to sustain and maintain capital at adequate levels.

The Committee shall monitor on a regular basis liquidity and capital adequacy positions of the Corporation and address any deficiencies through policy directives as needed.

V. COMPOSITION

A. Members

- The committee shall be composed of at least three (3) members of the board of directors including at least one (1) independent director, and a chairperson who is a non-executive member.
- On an annual basis, the members of the ROC shall be appointed by the BOD from among themselves and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. In instances of early resignation or removal, the BOD may have the option not to replace a member with an unfinished term.
- All members of the ROC shall have a basic understanding and appreciation of risk management in a financial institution. They are also expected to have a significant and relevant understanding of the financial, operational and legal issues and concerns which affect the business of running the Corporation.

B. Chair and Secretariat

- The Chair must be elected by the BOD from among the members of the Committee. The Chairman shall preside over all regular sessions of the Committee and shall set the agenda for Committee meetings.
- The Enterprise Risk Management Department (ERMD) which has been designated by the Management as the corporate risk manager, and the Office of the Board Secretary shall comprise the ROC Secretariat. The former shall be primarily responsible for extending the necessary technical



Small Business Corporation Risk Oversight Committee Charter

support to the Committee and the latter for administrative support (e.g. sending out of notices, confirming meeting venues, etc.)

VI. MEETINGS AND PROCEEDINGS

A. Frequency

- The Committee shall meet quarterly, or more frequently as circumstances dictate. Only the Committee Chair may call meetings of the Committee.

B. Agenda and Notice

- The Secretariat must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible but not less than three (3) days before the meeting.
- The Secretariat, in close coordination with the Committee Chairman, shall be responsible for drawing up the agenda for each meeting, including all supporting documents thereto.

C. Attendance & Quorum

- As a general rule, only committee members and members of the Secretariat are entitled to be present during committee meetings. However, any officer or staff of the Corporation or any resource person may participate therein on invitation extended by the Committee Chair or any Committee member, upon prior information and approval of the former.
- Attendance of a majority of committee members (i.e. one-half plus one) shall constitute a quorum for Committee meetings.
- Only Committee members are entitled to vote in matters requiring collegial action.

D. Presiding Officer

The Chair of the Committee shall preside over the Committee meetings. However, in the absence of the Chair, the remaining members of the Committee may elect one from their number as Chair for the meeting.

E. Minutes

- The Secretariat shall be responsible for recording the minutes of each meeting.
- The minutes of the meeting shall be submitted to the Board of Directors, for confirmation.



Small Business Corporation Risk Oversight Committee Charter

F. Conflict of Interest

- A Committee member will refrain from participating in discussions or voting in any issue whenever there is actual or perceived conflict of interest.
- A conflict of interest refers to a situation when someone, such as a public official, has competing professional or personal obligations or personal or financial interests that would make it difficult to fulfill his duties fairly. A conflict of interest exists even if no improper act results from it, and can create an appearance of impropriety that can undermine confidence in the conflicted individual or organization.

VII. REVIEW OF THE CHARTER

This Committee Charter shall be reviewed and approved annually by the Committee and the BOD. Revisions to this Charter may be done whenever appropriate and necessary as determined by the Committee and approved by the BOD.



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CORPORATION**

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 270th Meeting of the Board of Directors of the Corporation held on 26 November 2015 at the SB Corporation Board Room, 18/F 139 Corporate Center, 139 Valero St., Saledo Village, Makati City and at which a quorum was present, the following Resolution was duly passed, approved and confirmed:

BOARD RESOLUTION NO. 2248, SERIES OF 2015

RECONSTITUTION OF THE BOARD EXECUTIVE COMMITTEE

"RESOLVED: That in view of the limited number of incumbents in the SBC Board and possible vacancies in the next few months and consistent with GCG Circular 2012-07, the reconstitution of the Board Executive Committee into three membership from the present six and which shall be composed of the following:

- Chairman : SBC Chairman
- Members : Dir. Benel P. Laguna (as DBP representative)
- Dir. Andres C. Sarmiento (as LBP representative)

be, as it is hereby approved and confirmed."

APPROVED.

Makati City, 03 December 2015.

JESSIE R. REOTUTAR
Corporate Board Secretary

O A T H

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

DEC 8 3 2015

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3599-9.

Doc. No. 448 ;
Page No. 100 ;
Book No. I ;
Series of 2015.

E. PATRICE JAYVONNE T. BARRON
Notary Public for Makati City
Until December 31, 2016
Commission No. M-268
Roll No. 53557
PTR No. 0172565 / 06 Jan. 2015 / San Pedro, Laguna
IBP No. 0995523 / 05 Feb. 2015 / PPLM
MCLE Compliance No. V-0004400
17th and 18th Floors, 139 Corporate Center,
139 Valero St., Saledo Village, Makati City

*taken 12/03/15
R. 04. X
of 12/03/15
J. R. Reotutar*



**SMALL
BUSINESS
CORPORATION**



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 264th Meeting of the Board of Directors of the Corporation held on 28 May 2015 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, approved and confirmed:

BOARD RESOLUTION NO. 2175, SERIES OF 2015

SETTING UP OF BOARD EXECUTIVE COMMITTEE

"RESOLVED: That as favorably recommended by the Chairman of the Board, the setting up of the Executive Committee composed of the following:

- Chairman - Ambassador Jesus P. Tambunting
- Members - Dir. Benel P. Laguna
- Dir. Zenaida C. Maglaya
- Dir. Andres C. Sarmiento
- Dir. Benigno L. Zialcita III (SBC President/CEO)

be, as it is hereby approved and confirmed.

RESOLVED, FURTHER: That the guidelines as regard to required vote for an action to be approved, frequency of meetings, lead support unit to the Executive Committee, matters handled by the Executive Committee, and others, the details of which are contained in the memo for the Board dated May 20, 2015 which is attached as Annex "A" and made an integral part hereof be, as it is hereby approved and confirmed."

APPROVED.

Makati City, 01 June 2015.

JESSIE R. REOTUTAR
Corporate Board Secretary

O A T H

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

SUBSCRIBED AND SWORN to before me this JUN 01 2015 at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3539-9.

Doc. No. 134 ;
Page No. 28 ;
Book No. I ;
Series of 2015.

E. PATRICE JAMAÏNE T. BARRON
Notary Public for Makati City
Until December 31, 2016
Commission No. M-268
Roll No. 58557

PTR No. 0172565 / 30 Jan. 2015 / San Pedro, Laguna
IBP No. 0995523 / 05 Feb. 2015 / PPLM
17th and 18th Floors, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City, Philippines
Telephone: (632) 751-1888 Fax: (632) 813-5727 / 894-1677 E-mail: sbcorporation@sbcorp.org.ph
Website: www.sbgco.org.ph

17th and 18th Floors, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City, Philippines
Telephone: (632) 751-1888 Fax: (632) 813-5727 / 894-1677 E-mail: sbcorporation@sbcorp.org.ph
Website: www.sbgco.org.ph

Handwritten initials/signature

SMALL BUSINESS CORPORATION

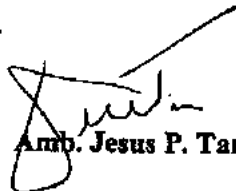
May 20, 2015
Memorandum

FOR : BOARD OF DIRECTORS
FROM : CHAIRMAN OF THE BOARD
SUBJECT : SETTING UP OF BOARD EXECUTIVE COMMITTEE

1. This is to recommend that the Board of Directors put in place the Executive Committee which is one of the mandated specialized committees per the Code of Corporate Governance for GOCCs (GCG Memorandum Circular 2012-07). This will help address the urgent actions required from the BOD. In the past weeks, for example, the Board Secretary had to route among the Board Members two memo recommendations that needed immediate action.
2. A four-member committee is proposed as follows:

Chairman	-	Chairman of the Board (mandated per the Code)
Members	-	Director Rabboni B. Arjonillo (stockholder representative)
	-	Director Benel P. Laguna (stockholder representative)
	-	Director Benigno I. Zialcita III (President/CEO)
3. Per the Code, a vote of at least two-thirds of the Executive Committee's members is required for the action to be approved. Thus, the proposed four-member committee will require consensus by at least three of its members.
4. The Code also specifies that the Board of Directors may delegate to the Executive Committee specific matters, except with respect to the following:
 - a) Approval of any action for which shareholders' approval is also required;
 - b) Filing of vacancies on the Board or in the Executive Committee;
 - c) Amendment or repeal of By-Laws or the adoption of new By-Laws;
 - d) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
 - e) Distribution of cash dividends; and
 - f) Exercise of powers delegated by the Board exclusively to other committees.
5. The following guidelines are recommended:
 - 5.1 Preferably, the Executive Committee shall meet at least once a month;

- 5.2 All actions of the Executive Committee shall be reported in the succeeding meeting of the Board of Directors for its notation;
- 5.3 The Office of the Board Secretary shall serve as lead support unit to the Executive Committee;
- 5.4 The following matters shall be handled by the Executive Committee among other concerns that may be delegated by the Board of Directors:
 - 5.4.1 Loans and of other financing transactions
 - 5.4.2 Other core business concerns including capacity building programs
 - 5.4.3 Special budgetary allocation (*the annual Corporate Operating Budget shall be for approval of the Board of Directors*)
 - 5.4.4 Initial review of Corporate Scorecard
 - 5.4.5 Accomplishment reports of Management including the Performance Scorecard
6. For the consideration of the Board of Directors.


Amb. Jesus P. Tambunting