



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MANUAL OF CORPORATE GOVERNANCE, AS AMENDED

It is the policy of the GSIS to actively promote and pursue corporate governance reforms and to consciously observe principles of accountability and transparency. The Board of Trustees (BOT) and Management of the GSIS hereby promulgate and adopt this Manual of Corporate Governance to significantly enhance the corporate organization of the GSIS by making it a valuable partner of the government in national development, at par with the private sector and globally competitive.

A. DEFINITION OF TERMS AND COVERAGE

Section 1. *Definition of Terms.* Unless the context otherwise indicates, the following terms shall mean:

- a. Board of Trustees – the collegial body that exercises the corporate powers of the GSIS as specified in Section 41 of Republic Act (RA) 8291, which shall hereinafter be referred to as the “Board.” It is primarily responsible for the governance of the GSIS and, hence, in charge of setting policy direction and monitoring implementation of strategic and long-term goals.
- b. Conflict of Interest – arises when a member of the Board or an executive officer has a substantial interest in a business, and the interest of such corporation or business, or his or her rights or duties therein, may be opposed to or affected by the faithful performance of his or her official duties in the GSIS.¹
- c. Corporate Governance – the framework of rules, systems and processes in the GSIS that governs the performance by the Board and Management of their respective duties and responsibilities to the stakeholders.²
- d. Executive Officers - refer to the President and General Manager as Chief Executive Officer, the Senior Vice Presidents and Vice Presidents of the GSIS. As distinguished from Board Officers, Executive Officers form part of the Management of the GSIS.³

¹ Adopted from RA 6713, *Code of Conduct and Ethical Standards for Public Officials and Employees.*

² Adopted from SEC Memorandum Circular No. 6 Series of 2009, *Revised Code of Corporate Governance.*

³ Based on Section 1, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs.*

compensation and benefit scheme that is consistent with the GOCC Compensation and Position Classification System (CPCS) developed by the GCG and formally approved by the President of the Philippines;

5. Ensure that personnel selection and promotion shall be on the basis of merit and fitness and that all personnel action shall be in consonance with applicable laws, rules and regulations;
 6. Provide sound written policies and strategic guidelines on the GSIS' operating budget and major capital expenditures, and approve the annual and supplemental budgets of the GSIS;
 7. Comply with all requirements under the GSIS Charter as well as applicable laws, rules and regulations; and
 8. Ensure the fair and equitable treatment of all its Stakeholders and enhance GSIS' relations with its Stakeholders.
- c. *Specific Functions of the Board.*¹¹ In addition to those specified under RA 8291 and RA 10149, the Board shall also perform the following functions:
1. Meet regularly, ideally at least once every month, to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, with all such meetings properly documented or minuted;
 2. Determine the GSIS' purpose and value, as well as adopt strategies and policies, including risk management policies and programs, in order to ensure that the GSIS survives and thrives despite financial crises and that its assets and reputation are adequately protected;
 3. Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's overall performance to ensure optimum results;
 4. Adopt a competitive selection and promotion process, a professional development program, as well as a succession plan, to ensure that the Officers of the GSIS have the necessary motivation, integrity, competence and professionalism;
 5. Monitor and manage potential conflicts of interest of Trustees, Management, and stakeholders, including the issuance of measures to prevent misuse of corporate assets and abuse in related party transactions;

¹¹ Ibid.