

## **TOURISM PROMOTIONS BOARD**

### **Code of Corporate Governance**

**WHEREAS**, pursuant to the State declared policy of treating Government Owned - or - Controlled Corporations (GOCCs) as significant tools for economic development, and the statutory-mandated obligation of the State to ensure that the governance of GOCCs is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness, under the governing boards which are competent to carry out their functions, fully accountable to the State as its fiduciaries and always acting for the best interests of the State, the **Tourism Promotions Board (TPB)**, a government instrumentality with corporate powers, in the exercise of its mandate under Republic Act No. 9593, otherwise known as the Tourism Act of 2009, approved the **TPB Code of Corporate Governance** ("Code") at the 3rd Floor, TPG Boardroom, DTI international Building, Jupiter St., 375 Sen. Gil Puyat Ave., Makati held on 23 July 2019 for its formal submission to the Governance Commission for GOCCs (GCG) and to the President of the Philippines for His Excellency's approval of what would constitute as an organic document for BOARD;

**NOW, THEREFORE**, the Board hereby formally promulgates and implements the Code as follows:

#### I.

#### **DEFINITION OF TERMS**

**SECTION 1. *Definition of Terms.*** - For purposes of this Code, the following terms shall have the following meanings:

"Act" refers to Republic Act No. 10149, and officially named the "*GOCC Governance Act of 2011*"

"*Appointive Directors*" refer to all members of its Board of Directors who are not ex officio members thereof, and are also called representative directors in Republic Act No. 9593 or "The Tourism Act of 2009".<sup>1</sup>

"*Board*" refers to the Tourism Promotions Board.

"*Board Officers*" refer to Officers whose primary task is to serve the Board or to pursue the immediate functions of the Board, such as the Chairman, Vice-Chairman and the Corporate Secretary.

"*Board of Directors*" or "Board or "Governing Board" refers to the collegial body that exercises the corporate powers, conducts all business and controls or holds all properties of the TPB.

"*Charter*" refers to Republic Act No. 9593 or the "Tourism Act of 2009", a formal act of Congress creating the Tourism Promotions Board.

---

<sup>1</sup> Sec. 47 (g), Republic Act No. 9593

"*Charter Statement*" refers to a statement of the TPB's vision, mission and core values.

"*Chief Operating Officer*" ("COO") refers to the highest ranking corporate officer who heads Management as provided for in the Charter.<sup>2</sup>

"*Code*" refers to this instrument or the TPB Code of Corporate Governance.

"*Confidential Information*" refers to all non-public information entrusted to or obtained by a member of the Board or Officer by reason of his/her position as such with the Board. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Board or its customers/stakeholders if disclosed, such as: (1) non-public information about the Board's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers, acquisitions, divestitures, stock splits and similar transactions; (2) non-public information concerning possible transactions or ventures with other companies, or information about suppliers, joint venture partners, or any information that the Board is under obligation to keep confidential; and (3) non-public information about internal discussions, deliberations and decisions, between and among Directors and Officers.

"*Director*" refers to any member of the Board of Directors of TPB.

"*Ex Officio Board Member*" (*Ex Officio Director*) refers to any individual who sits or acts as a member of the Board of Directors by virtue of one's title to another office, and without further warrant or appointment.<sup>3</sup>

"*Executive Officer*" ("*Officer*") refers to the COO or whoever is the highest-ranking officer in the TPB, and such other corporate officer of the GOCC as expressly provided for in its Charter.

"*Extraordinary Diligence*" refers to the measure of care and diligence that must be exercised by Directors and Officers in discharging their functions, in conducting the business and dealing with the properties and monies of the Board, which is deemed met when Directors and Officers act using the utmost diligence of a very cautious person taking into serious consideration all the prevailing circumstances and Material Facts, giving due regard to the legitimate interests of all affected Stakeholders.<sup>4</sup>

"*Fit and Proper Rule*" refers to a set of standards for determining whether a member of the Board of Directors or the COO is qualified to hold a position in the Board which shall include, but not be limited to, standards on integrity, experience, education, training and competence' as such standards are set forth under GCG Memorandum Circular No. 2012-05."<sup>5</sup>

---

<sup>2</sup> Sec. 47, Republic Act No. 9593

<sup>3</sup> Sec. 47 (a-f), Republic Act No. 9593

<sup>4</sup> Sec. 19, 21, Republic Act No. 10149

<sup>5</sup> Sec. 3(j), Republic Act No. 10149

"*Government Agency*" refers to any of the various units of the Government of the Republic of the Philippines, including a department,

