

**MANUAL
OF
APPROVALS
(MOA)**

Effective 04 February 2010



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|---|--------------------|-------------|--------------|
| NATIONAL TRANSMISSION CORPORATION | Section | Section No. | Effective |
| | GENERAL PROVISIONS | A | 04 Feb. 2010 |
| MANUAL OF APPROVALS | Subject | Subject No. | Page |
| | | | 1 of 4 |

1. PURPOSE

The purpose of this Manual is to define the limits of authority at various levels of management from the TransCo Board down to the lowest levels of supervision. All other approving authorities not included in this Manual remain with the Board.

2. DEFINITION OF APPROVAL

The action of the approving authorities indicated in this Manual implies that all necessary prior review and recommendatory actions have been completed.

In cases where further approval of higher authorities and agencies external to the Corporation is necessary, the signature of the approving authorities listed in this Manual should not be taken to mean final approval.

The limits of authority are subject to certain administrative controls which are deemed necessary in the course of corporate operations. For example, an immediate superior may have authority to approve leaves of absences of less than 30 days. Yet administrative controls require that these be cleared through the Human Resource Division. In this example, the immediate superior exercises authority to approve the leave application and Human Resource Division performs routine administrative control action.

3. DELEGATED AUTHORITIES

Delegated authorities set forth in this Manual cannot be further delegated without prior approval of the TransCo Board.

The authorities pertain to the position rather than the person and is consistent to the approved structure of the Corporation. In the absence of the authorized incumbent, authority passes to his authorized replacement. In the absence of an authorized replacement, authority reverts to the immediate superior.

Authority granted to each position is limited to transactions within its area of responsibility, consistent with the corporate policies and government rules and regulations.

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|---|--------------------|-------------|--------------|
| NATIONAL TRANSMISSION CORPORATION | Section | Section No. | Effective |
| | GENERAL PROVISIONS | A | 04 Feb. 2010 |
| MANUAL OF APPROVALS | Subject | Subject No. | Page |
| | | | 2 of 4 |

4. RESPONSIBILITY OF APPROVING AUTHORITIES

Approving authorities shall be responsible for the proper exercise of authorities delegated to them and shall ensure that the transactions presented for their approval are in accordance with the existing policies, rules and regulations, procedures and practices. Management Committee may promulgate such guidelines or control procedures as may be necessary for the proper exercise of delegated authorities within their respective area of responsibility particularly in cases where existing procedures are deemed inadequate for internal control purposes due to peculiarities of operation.

5. ACCOUNTABILITY OF APPROVING AND RECOMMENDING AUTHORITIES

Approving authorities shall be held accountable for the exercise of authorities delegated to them. In cases where a committee recommends the approval of a certain transaction to an approving authority, the members of the committee shall be held jointly and severally accountable with the approving authority for the exercise of such authority. In cases where there is no committee the person/s endorsing the approval shall be held jointly and severally accountable with the approving authority.

6. EMERGENCY AUTHORITY

In cases where the approving authority is unable to perform the function, a lower-level approving authority may exercise the authority of his immediate superior during emergency to protect life and property and to restore public service. A report on the exercise of this emergency authority shall be submitted within twenty-four (24) hours to his immediate superior and the Vice President concerned.

7. JOINT APPROVAL

Joint approval shall mean that a transaction is not approved or concluded unless all authorized signatories are indicated. Joint approval is indicated by the word "AND". Concurrence of another is indicated by the word "WITH".

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|---|--------------------|-------------|--------------|
| NATIONAL TRANSMISSION CORPORATION | Section | Section No. | Effective |
| | GENERAL PROVISIONS | A | 04 Feb. 2010 |
| MANUAL OF APPROVALS | Subject | Subject No. | Page |
| | | | 3 of 4 |

8. INDICATION AND TIMING OF APPROVAL

To indicate approval, approving authorities shall affix their customary signatures on documents and the corresponding date.

Approval of an item in accordance with the established limits of authority is necessary before a commitment or expenditure is made.

9. FOREIGN CURRENCY EQUIVALENT

In all transactions pertaining to foreign currencies, the limits shall apply to the equivalent peso calculated at the exchange rate prevailing at the time the transaction is made.

10. CANCELLATION OF APPROVAL

An approval can be recalled or cancelled by the officer or supervisor who originally approved the item or proposal. A higher officer can also effect cancellation provided that the proper approving authority is notified of such action. In both cases, formal notice to affected parties should be issued.

11. DEVIATION FROM ORIGINAL INTENT OF AN APPROVED TRANSACTION

No deviation from the original intent of an approved transaction shall be made without the official written approval of the original approving authority. The approval of the next higher level is necessary in cases of deviation exceeding the limit of the original approving authority.

12. CUSTODY AND ADMINISTRATION

The custody of this Manual is assigned to the Internal Audit Department (IAD). All corporate officers, administrative officers and supervisors with approving powers shall be furnished with a copy of this Manual, including subsequent revisions thereto.

13. INTERPRETATION

As a matter of procedure, questions that pertain to items not covered in this Manual or those that may arise from ambiguity or inconsistency should be directed to TransCo Board thru the Management Committee.

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|---|--------------------|-------------|--------------|
| NATIONAL TRANSMISSION CORPORATION | Section | Section No. | Effective |
| | GENERAL PROVISIONS | A | 04 Feb. 2010 |
| MANUAL OF APPROVALS | Subject | Subject No. | Page |
| | | | 4 of 4 |

14. REVISIONS

Revisions to this Manual involving the delegation of authority from the TransCo Board to the President shall be subject to the approval of the TransCo Board. Revisions up to the level of the President as well as delegation/recall of authority to/from management levels lower than the President shall be subject to the approval of the President. For appropriate information of the Board, IAD shall conduct a continuing review of this Manual and submit or evaluate proposed revisions and changes thereto to the President and the TransCo Board as the case maybe. Officers wishing to propose revisions to this Manual may submit their proposals together with the justifications, thru IAD.

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