

Board Oversight

Corporate Strategy Implementation

Board Oversight Mechanism

This report is a general outline how the Board of Directors oversees and monitors the implementation of the Agency's corporate strategy. Board oversight is primarily exercised through regular board and committee meetings, wherein matters for agenda related to the Agency's strategic objectives, such as Social Impact, Finance, and Internal Processes, are presented. During these meetings, the Board monitors progress through discussions, review of reports, clarificatory inquiries, and exercises oversight by approving, deferring, proposing or directing action.

I. SOCIAL IMPACT

- During the 1st Regular Board Meeting, the Charity Sector presented the request for alternate authority to sign Deeds of Donation (DODs) for Patient Transport Vehicles (PTVs) under the Medical Transport Vehicle Donation Program (MTVDP). During the deliberations, the pre-signing of DODs was discussed to expedite the turnover of PTVs and emphasis was made on the need for a clear distribution flow.
- During the 3rd Regular Board Meeting, Board Resolution No. 032 s.2025 approved the designation of the Assistant General Manager for the Charity Sector as authorized signatory of the DODs for PTVs. In the same meeting, Board Resolution No. 042 s.2025 reduced the prohibitory period for PTV requests to facilitate distribution and ensure that all municipalities and qualified beneficiaries receive mobility aids for their respective jurisdictions.
- During the 5th Governance Committee Meeting, the Board was apprised of the overall status of PTV distribution. The Board raised specific inquiries on distribution coverage in various provinces, enabling them to monitor the progress and direct distribution of the PTVs.
- During the 9th Regular Board Meeting, the Board approved the procurement of PTVs and directed Management to conduct a study on the possible acquisition of ambulances, mobile clinics, and mobile dental clinics to further enhance medical service support. In the same meeting, Board Resolution No. 091 s.2025 approved the proposed amendments to the Guidelines for the Medical Transport Vehicle Donation Program after reviewing the revisions presented.
- During the **14th Regular Board Meeting**, the Board inquired into the projected coverage of municipalities once the additional PTVs are procured and distributed. Management reported that from June 2022 to July 2025, a total of 1,067 PTVs had

already been distributed, and that beginning August 2025, an additional 453 units are targeted for release. Upon full distribution of available vehicles, more than 90% of municipalities are expected to have PTVs.

Strategic Objective: World Lottery Association Certification

- During the 2nd Regular Board Meeting, the Administrative Sector presented for Board approval the reconstitution of the World Lottery Association Security Control Certification Committee, which is necessary to enhance the Committee's capacity to undertake the necessary tasks to attain the Agency's Level III WLA Certification. During the discussion, the Board was informed that the Agency is currently at Level II. After discussion, the Board approved the reconstitution through Board Resolution No. 023 s.2025.

II. FINANCE

Strategic Objective: Gross Revenue/Sales

- During the 2nd Governance Committee Meeting, the Board reviewed the Revenue and Sales Report for CY 2024 and year-to-date revenues. Inquiries on factors affecting retail receipts were discussed, including power interruptions and typhoon occurrences, while promotional activities and extended operating hours helped generate additional sales.
- During the 1st Risk Committee Meeting, the Board was apprised of Lotto agents with low sales and limited days of operation. The Board emphasized the requirement for agents to operate in accordance with their contractual obligations and raised concerns on how to effectively address these matters.
- During the 13th Regular Board Meeting, the Board inquired into the status and timeline for achieving sales targets. Projections and expectations were discussed and it was further reported that increasing the minimum guaranteed jackpot prizes and strengthening advertisements could help drive higher sales.
- During the 11th Governance Committee Meeting, the Branch Operations Sector presented the sales performance of Lotto agents and branch offices, including total and monthly sales figures, number of active agents, and terminated agents. Terminal turnover and availability were discussed to maximize revenues despite the limited number of units.
- During the 18th Regular Board Meeting, Board Resolution No. 192 s.2025 approved the implementation of the sales quota and incentive. In the same meeting, the Board also approved the recalibration of the Agency's revenue target

Strategic Objective: Disbursements Budget Utilization Rate

- During the 9th Regular Board Meeting, the Accounting and Budget Department presented the release of the Financial Statement as of 31 December 2024 prior to its approval. The Board was first informed of the contents of the Financial Statement, including the status of the Charity Fund, the additional funds sourced from the previous year's savings, and forfeited unclaimed prizes. Breakdown of the payouts was also provided.

III. INTERNAL PROCESSES

Strategic Objective: MAP and GLs

- During the 9th Regular Board Meeting, the Charity Assistance Department presented the revised Internal Rules and Regulations of the MAP, which was approved through Board Resolution No. 090 s.2025. The Board discussed the coverage for additional dialysis sessions, angioplasty, and cancer medicine costs.