



LBP LEASING AND FINANCE CORPORATION
(A LANDBANK Subsidiary)

BOARD RESOLUTION NO. 23-246

In the meeting of the Board of Directors of LLFC held on 29 November 2023 via Face-to-Face meeting and Zoom video-conferencing, during which a valid quorum was present, the following resolution was adopted by the Board:

Bd. Res. No. 23-246: REVISED LLFC QUALITY MANUAL
- Approved

RESOLVED, as it is hereby resolved, that the proposed Revised LLFC Quality Manual, the details of which were contained in the Memorandum for the Board dated 23 November 2023 be, as it is hereby APPROVED.

ATTY. REO S. ANDARINO

LBP LEASING AND FINANCE CORP.
27 Dec 2023
CERTIFIED TRUE COPY



LBP LEASING AND FINANCE CORPORATON

QUALITY MANUAL

Conforms to ISO 9001:2015

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 1 of 29

TABLE OF CONTENTS

0.0	Revision History and Approval Box	3
1.0	About The LLFC Quality Manual	4
2.0	About LLFC	5
3.0	Terms and Definitions	6
4.0	Context of the LLFC	7
4.1	Understanding the LLFC and Its Context	7
4.2	Understanding the Needs and Expectations of Interested Parties.....	7
4.3	Determining the Scope of the Quality Management System	7
4.4	Quality Management System and Its Processes.....	8
5.0	Leadership	10
5.1	Leadership & Commitment	10
5.1.1	General	10
5.1.2	Customer focus	10
5.2	Policy	11
5.3	Organizational Roles, Responsibilities and Authorities	11
6.0	Planning.....	14
6.1	Actions to Address Risks and Opportunities	14
6.2	Quality Objectives and Planning to Achieve Them	14
6.3	Planning of Changes	15
7.0	Support.....	16
7.1	Resources.....	16
7.1.1	General	16
7.1.2	People.....	16
7.1.3	Infrastructure.....	16
7.1.4	Environment for the Operation of Processes	16
7.1.5	Monitoring and Measuring Resources.....	17
7.1.6	Organizational Knowledge.....	17
7.2	Competence	17
8.0	Operation.....	19
8.1	Operational Planning and Control	19
8.2	Requirements for Services	19
8.2.1	Customer Communication	19
8.2.2	Determining the Requirements Related to Services	19
8.2.3	Review of Requirements Related to Services	20
8.2.4	Changes to Requirements for Services.....	20
8.3	Design and Development of Services	20
8.4	Control of Externally Provided Processes, Services	20
8.4.1	General	20
8.4.2	Type and Extent of Control.....	21
8.4.3	Information for External Providers	21
8.5	Provision of Services/Outputs	21
8.5.1	Control of Service/Output Provision	21
8.5.2	Identification and Traceability	21
8.5.3	Property belonging to Customers or External Providers	22
8.5.4	Preservation.....	22
8.5.5	Post-Delivery Activities	22
8.5.6	Control of Changes.....	22
8.6	Release of Services.....	22
8.7	Control of Nonconforming Outputs.....	23
8.7.1	Identification and Rectification.....	23
8.7.2	Non-Conforming Output Documentation	23

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 2 of 29

9.0	Performance Evaluation	24
9.1	Monitoring, Measurement, Analysis and Evaluation	24
9.1.1	General	24
9.1.3	Analysis and Evaluation	24
9.2	Internal Audit.....	24
9.2.1	Purpose and Interval	24
9.2.2	Audit Planning, Conduct, Reporting and Corrective Action.....	25
9.3	Management Review	25
9.3.1	General Policy	25
9.3.2	Management Review Inputs	25
9.3.3	Management Review Outputs	26
10.0	Improvement.....	27
10.1	General	27
10.2	Nonconformity and Corrective Action	27
10.2.1	Correction and Corrective Action	27
10.2.2	Retained Documented Information.....	27
10.3	Continual Improvement	28

Annex “A” – Products and Services

Annex “B” – List of Statutory and Regulatory Requirements

Annex “C” – Revised Table of Organization

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 3 of 29

0.0 Revision History and Approval Box

Title: <p style="text-align: center;">Quality Manual</p>	
Revision No.	Description of Changes
0	<ul style="list-style-type: none"> • Initial Issue
1	<ul style="list-style-type: none"> • Updating of attachments and annexes
2	<ul style="list-style-type: none"> • Revision of the Terms and Definitions on LLFC Top Management • Updating of attachments and annexes
3	<ul style="list-style-type: none"> • Updated Annex B: List of Statutory and Regulatory Requirements • Reconstitution of QMS Organization • Revision of the LLFC Business Process Model • Updated the Quality Objectives and Programs • Improved QMS Procedures on Controlled Documented Information (<i>Control of Documents and Control of Records</i>) • Improved Operating Procedures for Credit Evaluation, Packaging and Approval • Improved the Internal and External Issues Log • Improved the List of Relevant Interested Parties
4	<ul style="list-style-type: none"> • Improvement of item About LLFC • Improvement of the Quality Policy • Updated the Annex C: Revised Table of Organization • Revision in the Controlled of Documented Information • Revision in the QMS Scope, Internal and External Issues Log, Related Interested Parties

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 4 of 29

1.0 About The LLFC Quality Manual

This manual is prepared for the purpose of defining the LLFC's interpretations of the ISO 9001:2015 international standard, as well as to demonstrate LLFC commitment to comply with the standard. This manual will be the primary document for the QMS, providing a top-level perspective of its operating policies and subsequent approaches to ensure that it consistently conforms to specified requirements, including applicable statutory and regulatory requirements.

This Quality Manual aims to accomplish the following purposes;

- To formally define LLFC's QMS commitment, policies and directions towards meeting the ISO 9001:2015 requirements
- To define outcomes as basis for action leading to effectiveness and efficiency of all processes in the QMS;
- To streamline processes and ensure process continuity, accountability and clarity of roles, responsibilities and authorities as part of defining process ownership;
- To provide objective evidences of process implementation, control and improvement while consistently providing risk controls and maximizing opportunities through a process approach.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 5 of 29

2.0 About LLFC

LBP LEASING AND FINANCE CORPORATION (LLFC, formerly LBP Leasing Corporation), a wholly owned subsidiary of Land Bank of the Philippines (LANDBANK) was established under the Corporation Code of the Philippines on March 17, 1983 to complement the product lines being offered by the LANDBANK.

The creation of LLFC was in line with Section 21-A of Republic Act No. 337 or the General Banking Act which allows banks such as LANDBANK to invest in equities of companies with allied undertaking such as leasing activities.

The Corporation was created to support LANDBANK and its clients by providing leasing (both financial and operating lease) and financing facilities. It secured a secondary license to operate as a Finance Company from the Securities and Exchange Commission (SEC) on March 18, 1983.

LLFC was organized with an initial paid-up capital of Two Million Nine Hundred Pesos (P2,000,900.00). On March 6, 1998, SEC approved its increase in capitalization to Five Hundred Million (P500,000,000.00). On November 3, 2015, SEC approved LLFC's Amended Articles of Incorporation and By-Laws including the change of its name to LBP Leasing and Finance Corporation.

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
			PAGE NO.:	Page 6 of 29

3.0 Terms and Definitions

LLFC adopts the following terms and definitions within its Quality Management System. Where no definition is provided, the LLFC adopts the definitions provided in **ISO 9000: Quality Management – Fundamentals and Vocabulary**.

LLFC Top Management - refers to LLFC Management Committee (LLFC-ManCom) who directs and controls an organization at the highest level. The LLFC Management Committee is composed of the following:

- Chairperson** : President & CEO
- Vice Chairperson** : Executive Vice President or the most Senior member of ManCom as appointed by the President and CEO
- Members** : Head, Account Servicing Group
 Head, Account Management Group
 Head, Corporate Services Group
 Head, Office of General Counsel

LLFC Products and Services – Refers to products and services that are being offered to its customers/clients. The detailed list of **LLFC Products and Services** are in **Annex A**.

General QMS Terminology:

Documented Information – information required to be controlled and maintained by and the medium on which it is contained.

Document – a maintained documented information which provides instructions; written information used to describe how an activity is done.

Record – retained documented information which provides evidence of implementation of process or activity, or of results achieved; captured evidence of an activity having been done.

Correction – refers to an action to be taken to eliminate the detected nonconformity

Corrective Action – refers to an action to be taken to eliminate the cause of nonconformity and to prevent recurrence.

Internal Audit – systematic and independent process for obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.

Risk-Based Thinking Terminology:

Risk – Negative effect of uncertainty

Opportunity – Positive effect of uncertainty

Uncertainty - A deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood. (Not to be confused with measurement uncertainty.)

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 7 of 29

4.0 Context of the LLFC

4.1 Understanding the LLFC and Its Context

LLFC has determined, reviewed and analyzed key aspects of its organization, services and stakeholders relevant to its purpose and strategic direction. This required the identification of external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended result(s) of its quality management system. LLFC monitors and reviews the information about these external and internal issues that can include positive and negative factors or conditions for consideration. These issues are summarized, monitored and updated as appropriate during management planning and/or management reviews. These issues are documented in the **Internal and External Issues Log (LLC-QMS-PM-009.03)**.

4.2 Understanding the Needs and Expectations of Interested Parties

“Interested parties” are the stakeholders who receive LLFC’s services, or who may be impacted by decision and actions of LLFC, or those parties who may otherwise have a significant interest in LLFC. These parties are identified in the **List of Relevant Interested Parties (RIPs) (LLC-QMS-PM-010.03)** which identifies external and internal RIPs, their needs and expectations.

The external and internal issues and the needs and expectations of external and internal RIPs are used by LLFC Top Management to determine the LLFC’s strategic direction. These are periodically updated as conditions and situations change.

4.3 Determining the Scope of the Quality Management System

LLFC determines the scope of its quality management system based on identified issues of concern, interests of RIPs/stakeholders, and in consideration of its services to its clients. Scope of LLFC QMS is as follows:

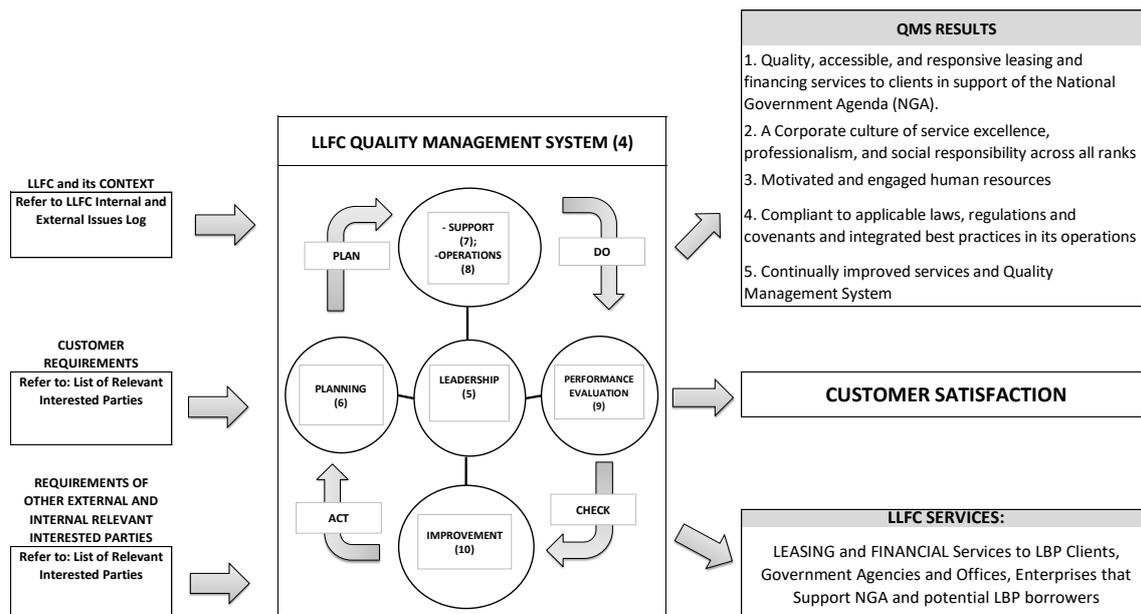
“PROVISION OF LEASING AND FINANCING SERVICES TO GOVERNMENT AGENCIES, LBP BORROWERS AND CLIENTS BELONGING TO THE PRIORITY SECTORS IN SUPPORT OF THE NATIONAL ECONOMIC AGENDA”

All requirements of ISO 9001:2015 shall be applicable to LLFC except *Measurement Traceability* (Clause 7.1.5.2) as LLFC does not use in any of its processes measuring equipment that require calibration and *Design and Development of Products and Services* (Clause 8.3) as LLFC does not require any design and development activities to fulfill its delivery of services to its clients.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 8 of 29

4.4 Quality Management System and Its Processes

LLFC QMS PDCA CYCLE MODEL



Plan: LLFC establishes the objectives of the QMS and its processes, the resources crucial to the delivery of quality public service in keeping with its clients' needs and expectations and in accordance with statutory requirements and policies. It is also at this stage when issues and risks and opportunities are identified and addressed.

Do: LLFC implements and puts into effect what has been planned.

Check: LLFC monitors and measures its processes, conducts internal quality audit, matches the resulting products and services against planned activities, checks if client requirements are met and report findings, if any.

Act: LLFC takes action on the results of the monitoring, evaluation and audit to improve its performance.

4.4.1 Business Process Map and Process Control

LLFC adopts the process approach in establishing its quality management system. Process approach means that processes are managed in order to effectively and efficiently achieve planned results. The determined QMS processes and their interaction are arranged in a robust manner to consistently fulfill LLFC's mandate and deliver its services effectively and efficiently. Appropriate criteria and methods needed to ensure the effective operation and control of these processes are determined and implemented, and adequate resources provided. Responsibilities, authorities and accountabilities are defined for each process, including the determination, evaluation and control of risks and

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 9 of 29

opportunities, and the identification and implementation of needed changes are implemented to ensure that intended results are achieved and the QMS processes are continually improved.

The sequence of interaction of these processes is identified and illustrated in the **LLFC QMS Business Process Model (LLC-QMS-PM-007.03)**

4.4.2 Documented Information

LLFC has determined the documented information it needs to maintain and retain. Maintained documented information are controlled under documented procedure. On the other hand, retained documented information are referred to as records which are controlled to provide evidence and confidence that the QMS processes are being carried out as planned. Retained documented information is controlled under a documented procedure.

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.:	EFFECTIVITY DATE:
			4	11/29/2023
		PAGE NO.:	Page 10 of 29	

5.0 Leadership

5.1 Leadership & Commitment

5.1.1 General

LLFC Top Management provides evidence of its leadership and commitment to the development and implementation of the management system and continually improving its effectiveness by:

- a) taking accountability of the effectiveness of the management system;
- b) ensuring that the Quality Policy and Quality Objectives are established for the management system and are compatible with the strategic direction and the context of the organization;
- c) ensuring the integration of the management system requirements into the organization's other business processes, as deemed appropriate;
- d) promoting awareness of the process approach;
- e) ensuring through the LLFC **Corporate Operating Budget**, the **Project Procurement Management Plan (PPMP)** and **Annual Procurement Plan (APP)** that the resources needed for the management system are available;
- f) communicating through the various LLFC management meetings the importance of effective quality management and of conforming to the management system requirements;
- g) ensuring that the management system achieves its intended results;
- h) engaging, directing and supporting persons to contribute to the effectiveness of the management system;
- i) promoting continual improvement;
- j) supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

5.1.2 Customer focus

LLFC Top Management adopts a customer-focused approach which ensures that customer needs and expectations are determined, converted into requirements and are met with the aim of enhancing customer satisfaction.

This is accomplished by assuring:

- a) customer and applicable statutory and regulatory requirements are determined, understood and consistently met.

Refer to: **List of Statutory and Regulatory Requirements (Annex B)** (relevant to/for the management, operation and control of LLFC)

- b) the risks and opportunities that can affect conformity of services and the ability to

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 11 of 29

enhance customer satisfaction are determined and addressed;

Refer to:

- **Risk and Opportunities Register (LLC-QMS-PM-011.03)**
- **Enterprise Risk Management**

c) the focus on enhancing customer satisfaction is maintained.

5.2 Policy

Based on its Vision, Mission and Core Values, LLFC's Top Management have developed and maintain a **Quality Policy (LLC-QMS-PM-006.01)** appropriate to its purpose, context and strategic direction, indicating its commitment to fulfill applicable requirements and to continual improvement and providing a framework for setting quality objectives.

The Quality Policy is released as a standalone document as well, and is communicated and implemented throughout the organization. It is also made available to relevant interested parties where requested and is maintained as documented information.

5.3 Organizational Roles, Responsibilities and Authorities

LLFC Top Management has assigned responsibilities and authorities for all relevant roles in the QMS to ensure process ownership and ensure that the processes delivered the intended results. These are defined and communicated through the **LLFC Organizational Chart, Job Descriptions** as well as in the **QMS Procedures**.

In addition, the following overall QMS responsibilities and authorities are assigned as follows:

Responsibility	Assigned To
Ensuring that the management system conforms to applicable standards	Top Management
Ensuring that the processes are delivering their intended outputs	Concerned Process Owner
Reporting on the performance of the management system and providing opportunities for improvement for the management system	QMS Team
Ensuring the promotion of customer focus throughout the organization	Top Management
Ensuring that the integrity of the management system is maintained when changes are planned and implemented	Top Management

	<p>LBP LEASING AND FINANCE CORPORATION</p>	<p>DOCUMENT CODE: LLC-QMS-PM-005.04</p>	
	<p>QUALITY MANUAL</p>	<p>REVISION NO.: 4</p>	<p>EFFECTIVITY DATE: 11/29/2023</p>
		<p>PAGE NO.:</p>	<p>Page 12 of 29</p>

LLFC QMS Team



1. Top Management
 - a. Leads the establishment, implementation and monitoring of the QMS;
 - b. Ensures effectiveness of the QMS through risk-based thinking;
 - c. Establishes and communicates quality policy;
 - d. Ensures that quality objectives are established;
 - e. Communicates the importance of meeting customer requirements;
 - f. Determines and provides necessary resources and ensures that they are adequately available;
 - g. Conducts Management Review meetings

2. QMS Leader
 - a. Oversees the establishment, documentation, and effective implementation of the QMS;
 - b. Promotes risk-based thinking in the effectiveness of the QMS;
 - c. Acts as liaison with external parties on matters relating to QMS;
 - d. Ensure that procedures for IQA, Management Review, Corrective Actions are established and implemented;
 - e. Reports QMS performance to Top Management for review and continual improvement.

3. Risk Management Team
 - a. Performs overnight function in ensuring that the established risk controls and related activities are consistently implemented;
 - b. Plans and coordinates effective and efficient use of risk control tools;
 - c. Ensures that risk-related information are maintained and retained.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 13 of 29

4. Knowledge Management, Training and Advocacy Team
 - a. Provides administrative support in terms of training and advocacy in the successful implementation and sustenance of the QMS;
 - b. Plans and coordinates effective deployment and efficient use of resources inline with training and advocacy activities;
 - c. Plans and coordinates echoing/cascading sessions on QMS-related training
 - d. Ensures that the requirements for maintaining and retaining documented information are established and implemented;
 - e. Coordinates with the Training and Advocacy Team for activities related to managing organizational knowledge.;
 - f. Coordinates with the Training and Advocacy Team for activities related to managing organizational knowledge.

5. QMS Internal Quality Audit Team
 - a. Determines conformance of the QMS to the planned arrangements and to the requirements of ISO 9001:2015;
 - b. Determines whether the QMS is effectively implemented and maintained;
 - c. Provides input to management review regarding the results of audits;
 - d. Keeps track of the implementation of the corrective and preventive actions for nonconformance raised during the audits.

6. Quality Workplace Team
 - a. Ensures that the environment for the operation of processes needed to achieve conformity to service requirements are managed;
 - b. Ensures consistent implementation of Guidelines for Quality Workplace (Document Code), as applicable;
 - c. Monitors and assesses workplace cleanliness, orderliness and safety.

7. Documents and Records Control Team
 - a. Ensure that the requirements for maintaining and retaining documented information are established and implemented.

 - b. Ensure that all records generated by the quality management system are properly maintained and are readily available for use by those you need them and are authorized to access them

8. QMS Secretariat
 - a. Provides administrative support to successfully implement the QMS up to the 3rd party certification;
 - b. Facilitates the delivery of specific outputs in-line with the QMS;
 - c. Plans and coordinates effective deployment and efficient use of human, financial and other physical resources for the QMS.

The Top Management activities related to Planning, Communication and Management Review among others are covered under Section 6, 7 and 9.

LLFC's Table of Organization and the Functional Descriptions of LLFC Groups/Offices/Units are in Annex C.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 14 of 29

6.0 Planning

Top Management conducts planning activities to ensure that pertinent information are considered in establishing and updating strategic direction, objectives/targets, and resources.

6.1 Actions to Address Risks and Opportunities

LLFC considers risks and opportunities when taking actions within the management system, as well as, when implementing or improving the management system; likewise, risks and opportunities are considered relative to the provision of LLFC services. Risks and opportunities are identified as part of the “Context of the Organization”, as well as, throughout all other activities of the QMS.

Risks and opportunities are determined and managed in accordance with the Risk Identification, Evaluation and Control Procedure. Actions to manage risks and opportunities are determined, and are eventually integrated and implemented into the QMS processes. Actions to address risk and opportunities are monitored and evaluated periodically. LLFC maintains the following documents to monitor and evaluate Risk and Opportunities both in the Organizational and Process Level:

- **Risks and Opportunities Register**- contains the action plans to address risks and opportunities at the business and organizational level.
- **Enterprise Risk Management Program** – consistent with the Risk Management Oversight Program for LBP Subsidiaries. The program includes relevant methodologies and tools that will be used in implementing ERM approach. It will be based on the mandate and nature of business operations, structure and the risk appetite of LLFC, among others. It serves as the blueprint and foundation that is translated to applicable concepts and processes.
- **Risk Control and Self-Assessment Matrix** – contains the process and procedural risks identified including the controls and action plan to address the risks identified.

6.2 Quality Objectives and Planning to Achieve Them

As part of the adoption of the process approach, LLFC utilizes the **Performance Scorecard** as the main quality objectives for the QMS.

The process objectives have been developed in consideration that they:

- a) be consistent with the quality policy;
- b) be measurable;
- c) take into account applicable requirements;
- d) be relevant to conformity of services and to enhancement of customer satisfaction;
- e) be monitored;
- f) be communicated;
- g) be updated as appropriate.

Plans to implement programs, activities and projects to achieve quality objectives/targets are documented in the **Quality Objectives and Programs (LLC-**

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 15 of 29

QMS-PM-012.04).

6.3 Planning of Changes

Changes to the quality management system and its processes are carried out in a planned manner to ensure that the impact of such changes do not adversely affect the QMS, its processes and its products and services. The action plans to implement such changes are prepared by the concerned /designated units or responsible persons considering the following:

- a) the purpose of the changes and their potential consequences;
- b) the integrity of the quality management system;
- c) the availability of resources;
- d) the allocation and reallocation of responsibilities and authorities.

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
			PAGE NO.:	Page 16 of 29

7.0 Support

7.1 Resources

To ensure that the QMS operates effectively and consistently, adequate resources are determined and provided through established budgeting and expenditure processes. Resources include people, infrastructure, work environment, and materials which are all considered during budget planning.

7.1.1 General

LLFC determines and provides the resources needed:

- a) to implement and maintain the Quality Management System and continually improve its effectiveness
- b) to enhance customer satisfaction by meeting customer requirements

Resource allocation is done through its annual Corporate Budget Preparation and Annual Procurement Plan. The process capability and constraints on existing internal resources, as well as needs and expectations of interested parties, are considered.

Resources and resource allocation are assessed during management reviews.

7.1.2 People

LLFC Top Management ensures that it provides sufficient staffing for the effective operation of the management system, as well as its identified processes.

7.1.3 Infrastructure

LLFC determines, provides and maintains the infrastructure needed to achieve conformity to service requirements. Infrastructure includes, as applicable:

- a) buildings, workspace and associated facilities;
- b) process equipment, hardware and software;
- c) supporting services such as transport;
- d) Information and communication technology.

7.1.4 Environment for the Operation of Processes

LLFC provides a clean, safe and well-lit and ventilated/air-conditioned working environment. LLFC through the Quality Workplace Team manages the work environment needed to achieve conformity to service requirements. The Administrative Unit provides regular office maintenance, safety and housekeeping to ensure effectiveness and efficiency of processes and the quality of services.

Human factors (social and psychological) are considered to the extent that they directly impact on the quality of services.

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
			PAGE NO.:	Page 17 of 29

7.1.5 Monitoring and Measuring Resources

LLFC determines and provides the resources needed to ensure valid and reliable results when monitoring or measuring is used to verify the conformity of services or requirements.

LLFC ensures that the resources provided:

- a) are suitable for the specific type of monitoring and measurement activities being undertaken;
- b) are maintained to ensure their continuing fitness for their purpose

LLFC retains appropriate documented information as evidence of fitness for purpose of the monitoring and measurement resources.

7.1.6 Organizational Knowledge

LLFC also determines the knowledge and learnings necessary for the operation of its processes and to achieve conformity of services. This may include knowledge and information obtained from:

- c) internal sources, such as lessons learned, feedback from subject matter experts, and/or intellectual property;
- d) external sources such as standards, academia, conferences, and/or information gathered from customers or suppliers.

This knowledge shall be maintained, and made available to the extent necessary.

When addressing changing needs and trends, LLFC shall consider its current knowledge and determine how to acquire or access the necessary additional knowledge through capacity development, benchmarking and other activities.

7.2 Competence

Top Management determines the necessary competence of personnel performing work under its control and affecting performance and effectiveness of the QMS, its processes, and the quality of its products and services. It ensures that personnel are competent on the basis of appropriate education, training, skills, experience, eligibility and personal attributes. Where applicable, Management through its Human resource processes, take action to acquire and/or enhance the necessary competence, and evaluate the effectiveness of the actions taken. A documented procedure defines these activities in detail. Appropriate documented information are retained as evidence of personnel competence.

7.3 Awareness

Training and subsequent communication ensure that all personnel are aware of:

- a) the Quality Policy;

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 18 of 29

- b) relevant quality objectives;
- c) their contribution to the effectiveness of the quality management system, including the benefits of improved performance;
- d) the implications of not conforming with the quality management system requirements.

LLFC practices the following methods of communication to ensure employee awareness, as applicable:

- Employee orientation;
- Cascading Sessions;
- Town Hall Sessions;
- Website and Bulletin Board Postings;
- Posting in the Network Shared folder accessible to all LLFC employees

7.4 Communication

LLFC Top Management ensures internal and external communication effectively takes place in its QMS by determining the following: a) what to communicate, b) when to communicate, c) with whom to communicate, d) how to communicate; and, e) who communicates.

7.5 Documented Information

The management system documentation includes both maintained documented information (documents) and retained documented information (records).

The extent of the management system documentation has been developed based on the following:

- a) The size of LLFC
- b) Complexity and interaction of the processes
- c) Risks and opportunities
- d) Competence of personnel

Documents required for the QMS are controlled in accordance with the ***Procedures for Control of Documented Information***

Documents and records follow specified identification and description, format, review and approval for adequacy and suitability. Documents and records are protected from loss of confidentiality, integrity and improper use.

Documented information of external origin determined by LLFC to be necessary for planning and operation of quality management system shall be identified as appropriate and be controlled.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 19 of 29

8.0 Operation

8.1 Operational Planning and Control

LLFC plans and develops the processes needed for realization of its services. Planning of service realization is consistent with the requirements of the other processes of the management system. Such planning considers the information related to the context of the organization, current resources and capabilities, as well as service requirements.

Such planning is accomplished through:

- a) determining the requirements for the services;
- b) establishing criteria for the processes and the acceptance of services;
- c) determining the resources needed to achieve conformity to the service requirements;
- d) implementing control of the processes in accordance with the criteria;
- e) determining, maintaining and retaining documented information to the extent necessary to have confidence that the processes have been carried out as planned and to demonstrate the conformity of services to their requirements.

Changes to operational processes are planned and controlled in accordance with existing policies, if any. Consequences of unintended changes are reviewed, taking action to mitigate any adverse effects, as necessary.

Outsourced processes and controls over them are defined under the requirements or externally provided processes, outputs (Clause 8.4).

8.2 Requirements for Services

8.2.1 Customer Communication

LLFC has implemented effective communication with customers in relation to:

- a) providing information relating to services
- b) handling enquiries, contracts including changes,
- c) obtaining customer feedback relating to services, including customer complaints;
- d) handling or controlling customer property such as documents submitted to LLFC
- e) establishing specific requirements for contingency actions, when relevant.

8.2.2 Determining the Requirements Related to Services

At the start of a transaction or lease/loan application, LLFC captures:

- a) requirements specified by the customer, including the requirements for delivery and post-delivery activities;

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 20 of 29

- b) requirements not stated by the customer but necessary for specified or intended use, where known;
- c) statutory and regulatory requirements related to services;
- d) any additional requirements determined by LLFC.

These activities are defined in greater detail in the ***Operating Procedures for Credit Initiation (LLC-AMG-PR-001.00)***

8.2.3 Review of Requirements Related to Services

Once requirements are captured, LLFC reviews the requirements prior to its commitment to supply the service. This review ensures that LLFC has the capability and capacity to:

- a) meet all requirements specified by the customer, including requirements for delivery and post-delivery activities;
- b) meet any requirements not stated by the customer, but which LLFC knows as being necessary;
- c) meet all requirements determined necessary by LLFC itself;
- d) meet all related statutory and regulatory requirements;
- e) meet any contract or requirements differing from those previously expressed.

These activities are defined in greater detail in the ***Operating Procedures for Credit Evaluation, Packaging and Approval (LLC-AMG-PR-002.01)***

8.2.4 Changes to Requirements for Services

LLFC shall ensure that relevant documented information are amended and updated, and that relevant personnel are made aware when the requirements for the products and services are changed.

8.3 Design and Development of Services

LLFC does not require this process to enable it to fulfill its service and/or mandate thus this is not applicable.

8.4 Control of Externally Provided Processes, Services

8.4.1 General

LLFC ensures that purchased services conform to specified purchase requirements. The type and extent of control applied to the supplier and the purchased services are dependent on the effect on subsequent service realization or the final service delivered.

The LLFC Bids and Awards Committee for Procurement evaluates and selects suppliers based on their ability to supply services in accordance with the organization's requirements and quotation submitted. Criteria for selection, evaluation, monitoring of performance and re-evaluation are established. Records of these activities and any

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 21 of 29

necessary actions arising from the evaluation are retained.

8.4.2 Type and Extent of Control

LLFC ensures that externally provided processes, outputs do not adversely affect the consistent delivery of conforming outputs to its clients. Thus, it:

- a) ensures externally provided processes remain within the control of QMS;
- b) defines both controls that intends to apply to an external provider and those it intends to apply to resulting output;
- c) takes into consideration: (1) the potential impact of the externally outsourced processes on the organization's ability to consistently meet customer and applicable statutory and regulatory requirements; and (2) the effectiveness of controls applied by the external provider.
- d) Determines the verification (receiving inspection) and or other activities necessary to ensure that the externally provided processes, outputs meet requirements.

8.4.3 Information for External Providers

Purchase are made via the release of formal purchase orders and/or contracts which clearly describe what is being purchased. Received products and services are verified against the requirements to ensure satisfaction of requirements and compliance to regulations, if any. Suppliers who do not provide conforming products or services will be requested to conduct formal corrective action.

8.5 Provision of Services/Outputs

8.5.1 Control of Service/Output Provision

To control its provision of outputs/services, LLFC considers, as applicable, the following:

- a) the availability of documents or records that define the characteristics of the services, as well as, the results to be achieved;
- b) the implementation of monitoring activities;
- c) the use of suitable infrastructure and environment;
- d) the appointment of competent persons, including any required qualifications;
- e) the implementation of actions to prevent human error;
- f) the implementation of release, delivery and post-delivery activities.

8.5.2 Identification and Traceability

LLFC shall use suitable means to identify outputs when it is necessary to ensure the conformity of product and services. LLFC shall identify the status of outputs with respect to monitoring requirements throughout the service provision. LLFC shall control the unique identification of the outputs when traceability is a requirement, and shall retain the documented information necessary to enable traceability.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 22 of 29

8.5.3 Property belonging to Customers or External Providers

The documents submitted by customers are considered are property of the customers as such LLFC shall ensure that it exercises care with these customer supplied documents while under its control and use. Upon receipt such documents are identified, verified, logged, protected and safeguarded. If any such submitted documents is lost, damaged or otherwise found to be unsuitable for use, this is reported to the customer for appropriate action and records maintained.

Control for customer-supplied documents occurs at each stage from processing, approval to release. Thus, responsibility for these documents are passed on from one process to another.

8.5.4 Preservation

LLFC preserves conformity of services during internal processing and delivery. This preservation includes identification, handling, packaging, storage, and protection.

Also, office supplies needed to prepare the needed documentation for each service is controlled and preserved to ensure suitability for use, availability and accuracy of stocking levels.

8.5.5 Post-Delivery Activities

As applicable, LLFC conducts the following post-delivery activities that:

- ensure compliance/completion of post availment/release documents;
- monitor compliance of clients with contractual obligations;
- undertake remedial measures to ensure contractual obligations.

Post-delivery activities are conducted in compliance with the management system defined herein. In determining the extent of post-delivery activities that are required, LLFC considers:

- a) statutory and regulatory requirements;
- b) the potential undesired consequences associated with its services;
- c) the nature, use and intended lifetime of its of services;
- d) customer requirements;
- e) customer feedback.

8.5.6 Control of Changes

LLFC reviews and controls both planned and unplanned changes to QMS processes to the extent necessary to ensure continuing conformity with all requirements. Process change control includes approved creation, revision or deletion of specific documents, and the subsequent communication of such changes through memo, group discussion or other means and ensures compliance to existing policies and procedures. These are defined in the Control of Documents and Control of Records.

8.6 Release of Services

Acceptance criteria for services are defined in appropriate documentation. Reviews, evaluation and deliberations are conducted at appropriate stages to verify that the

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
			PAGE NO.:	Page 23 of 29

requirements have been met. This is done before services are released or services are delivered to customers.

Each services released to customer are coursed through appropriate Groups/Units to ensure the official nature of the release and that it released in accordance with acceptable criteria set and the personnel authorizing the release is identified.

8.7 Control of Nonconforming Outputs

8.7.1 Identification and Rectification

LLFC ensures that services or other process outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery. LLFC takes appropriate action based on the nature of the nonconformity and its effect on the conformity of outputs, including those nonconforming outputs detected after release of the approved outputs.

LLFC deals with the nonconforming outputs in one or more of the following ways:

- a) correction and/or revision;
- b) informing the customer;
- c) obtaining authorization for acceptance under concession

Conformity to the requirements are re-verified when nonconforming outputs are corrected.

The process for controlling such nonconformities is defined in the **Procedures for Control of Nonconforming Outputs (LLC-QMS-PR-003.00)**.

8.7.2 Non-Conforming Output Documentation

LLFC retains documented information that:

- d) describes the non-conformity;
- e) describes the actions taken;
- f) describes any concessions obtained;
- g) identifies the authority deciding the action in respect of the nonconformity.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 24 of 29

9.0 Performance Evaluation

9.1 Monitoring, Measurement, Analysis and Evaluation

9.1.1 General

LLFC has determined which aspects of its quality management system must be monitored and measured, as well as the methods to utilize and the records to maintain, in doing so.

Monitoring and measurement of the processes ensure that the LLFC Top Management evaluates the performance and effectiveness of the quality management system.

9.1.2 Customer Satisfaction

As one of the measurements of the performance of the quality management system, LLFC monitors information relating to customer perception as to whether the organization has met customer requirements. The method for obtaining and using this information is done through Client/Customer Satisfaction Survey (CSS) using the CSM issued by ARTA. CSS shall be administered to LLFC clients to determine the gap between a customer's expectations and perceptions of the level of service LLFC has provided, how well LLFC is performing in the eyes of its customers, and to identify areas for improvement to provide better service. The results Customer Satisfaction Survey will be used to develop and implement plans for customer satisfaction improvement and assess the effectiveness of the results.

9.1.3 Analysis and Evaluation

LLFC analyzes and evaluates the data and information arising from monitoring and measurement in order to evaluate the following:

- a) conformity of services/outputs;
- b) the degree of customer satisfaction;
- c) the performance and effectiveness of the quality management system;
- d) if planning has been implemented effectively;
- e) the effectiveness of actions taken to address risks and opportunities;
- f) the performance of external providers; and
- g) the need for improvements to the quality management system.

Concerned process owners are responsible for evaluating and analyzing pertinent QMS and process data and information in their respective processes.

9.2 Internal Audit

9.2.1 Purpose and Interval

LLFC conducts internal audits at planned intervals to determine whether the quality management system conforms to requirements of ISO 9001:2015, and to

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 25 of 29

management system requirements. Audits also seek to ensure that the management system has been effectively implemented and is maintained.

9.2.2 Audit Planning, Conduct, Reporting and Corrective Action

LLFC, through its IQA Team shall:

- a) Plan, establish, implement and maintain an audit program, including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned, changes affecting the organization and the results of previous audits;
- b) Define the audit criteria and scope for each audit;
- c) Select auditors and conduct audits to ensure objectivity and the impartiality of the audit process;
- d) Ensure that the results of the audit are reported to relevant management for appropriate action;
- e) Take appropriate correction and corrective action without undue delay;
- f) Retain documented information as evidence of the implementation of the audit program and the audit results.

These activities are defined in the **Procedures on Internal Quality Audit (LLC-QMS-PR-004.03)**.

9.3 Management Review

9.3.1 General Policy

LLFC Top Management reviews the quality management system at least once a year to ensure its continuing suitability, adequacy and effectiveness. The review includes assessing opportunities for improvement, and the need for changes to the quality management system, including the Quality Policy and Quality Objectives.

9.3.2 Management Review Inputs

Management reviews are planned and carried out taking into consideration:

- a) The status of actions from previous management reviews;
- b) Changes in internal and external issues that are relevant to the QMS;
- c) Information on the performance and effectiveness of the QMS, including trends in:
 - Customer satisfaction and feedback from relevant interested parties;
 - The extent to which the quality objectives have been met;
 - Process performance and conformity of outputs;
 - Nonconformities and corrective actions;

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.:	EFFECTIVITY DATE:
			4	11/29/2023
		PAGE NO.:	Page 26 of 29	

- Monitoring and measurement results;
 - Audit results; and
 - The performance of external providers
- d) The adequacy of resources;
- e) The effectiveness of actions taken to address risks and opportunities; and
- f) Opportunities for improvement

These are also defined in the **Procedures for Management Review (LLC-QMS-PR-006.01)**.

9.3.3 Management Review Outputs

The outputs of the management review shall include decisions and actions related to:

- a) Opportunities for improvement;
- b) Any need for changes to the QMS; and
- c) Resources needed.

LLFC retains documented information as evidence of the results of management reviews.

	LBP LEASING AND FINANCE CORPORATION		DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL		REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
			PAGE NO.:	Page 27 of 29

10.0 Improvement

10.1 General

LLFC uses the QMS to improve its processes and services. Such improvements aim to meet customers' requirements as well as requirements of other interested parties and to the extent possible and enhance their satisfaction.

Improvement are driven by QMS data and information and these activities include:

- a) Improving outputs to meet requirements as well as to address future needs and expectations;
- b) Correcting, preventing or reducing undesired effects; and
- c) Improving the performance and effectiveness of the QMS;

10.2 Nonconformity and Corrective Action

A nonconformity occurs when a specified requirement is not fulfilled or complied with. To ensure that these nonconformities are addressed and specified requirements and criteria are complied with, corrections and corrective actions are taken by all concerned without undue delay.

10.2.1 Correction and Corrective Action

When a nonconformity occurs, including any arising from complaints, LLFC:

- a) Reacts to the nonconformity as applicable: (1) take action to control and correct it and/or (2) deals with consequences;
- b) Evaluates the need for action to eliminate the cause(s) of the nonconformity, in order to prevent recurrence or occurrence elsewhere, by: (1) reviewing and analyzing the nonconformity; (2) determining the causes of the nonconformity and (3) determining if similar nonconformities exist, or could potentially occur;
- c) Implements any action needed;
- d) Reviews the effectiveness of corrective action taken;
- e) Updates risks and opportunities determined during planning, if necessary;
- f) Makes changes to the quality management system, if necessary.

10.2.2 Retained Documented Information

Concerned process owners retain documented information as evidence of the nature of the nonconformities and any subsequent actions taken and the results of any corrective action.

These activities are done through the use of the formal corrective action system, and are defined in the **Procedures on Nonconformity and Corrective Actions (LLC-QMS-PR-005.00)**.

	LBP LEASING AND FINANCE CORPORATION	DOCUMENT CODE: LLC-QMS-PM-005.04	
	QUALITY MANUAL	REVISION NO.: 4	EFFECTIVITY DATE: 11/29/2023
		PAGE NO.:	Page 28 of 29

10.3 Continual Improvement

LLFC works to continually improve the suitability, adequacy and effectiveness of the quality management system by considering the results of analysis and evaluation of output of management reviews. This includes determining the needs and opportunities for improvement and ensuring that these are pursued, planned and acted upon as part of continual improvement.