

	<b>BOARD OF TRUSTEES CHARTER</b>	<b>NATCCO MBAI-GOV-08-21</b>	
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## 1. INTRODUCTION

The Insurance Commission, in its Circular Letter 2020-71, define the Board of Directors (also Board of Trustees) as “the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.”

Further, it recommends that the Board should be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector. The Board should always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

## 2. PURPOSE

The purpose of this charter is to define the organization, tasks and responsibilities of the Board of Trustees.

## 3. ORGANIZATION

### 3.1 Membership

- 3.1.1 The Board of Trustees of the NATCCO MBAI shall consist of at least seven (7) members, with at least two (2) Independent Trustees to be appointed yearly by the Board of Trustees from among the nominees screened by Nomination Committee.

<b>Prepared by:</b>    <b>Minerva G. Tejada</b> President	<b>Approved by Board of Trustees</b>    <b>ELLEN R. PASTORES</b> BOT Chairperson
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- 3.1.2 Any increase in the number of seats in the board of trustees due to expansion shall be subject to the guidelines set by the Board of Trustees duly approved by the general membership.
- 3.1.3 The Board of Trustees shall be elected every year by majority of its members during its Annual Meeting.
- 3.1.4 The Trustees to be elected must be of legal age, recognized active member of any NATCCO MBAI partner cooperative has maximum of five (5) directorship and is willing to perform the functions of a trustee without any remuneration.
- 3.1.5 No member convicted by final judgment of an offense punishable by the imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code of the Philippines committed within five (5) years prior to the date of his/her election or appointment, shall qualify as a trustee or officer and if he/she has pending administrative and criminal case involving moral turpitude. In addition, a member whose membership has been terminated due to various reasons, and/or has resigned from membership with NATCCO MBAI or any cooperative partner, shall also be disqualified from being a Trustee or Officer.
- 3.1.6 The elected members of the Board of Trustees shall serve beginning immediately following their election for a term of three (3) years until their successors shall have been elected. Provided, that no member shall serve as member of the Board of Trustees for more than (2) consecutive terms; and provided further that of the first five trustees so elected, the first two (2) with highest votes shall serve for three (3) years, the second two (2) shall serve for two (2) years, and the fifth trustee for one (1) year and their successors shall serve the full three-year term thereafter.
- 3.1.7 No member of the Board of Trustees shall be employed with NATCCO MBAI during his/her term of office.

Prepared by:

**Minerva G. Tejada**  
President

Approved by Board of Trustees

**ELLEN R. PASTORES**  
BOT Chairperson

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### 3.2 Meetings

The Board of Trustees shall meet at least every quarter or as necessary This can be done in person or virtual.

## 4. AUTHORITY AND RESPONSIBILITIES

Unless otherwise provided by the law, the corporate powers of NATCCO MBAI shall be exercised by the Board of Trustees subject to the approval of the majority of its members. Without prejudice to such powers as may be granted by law, the Board of Trustees shall have the following powers:

- 4.1 From time to time, promulgate rules and regulations consistent with these by-laws, and to review, revise or amend the same when it deems necessary for the management of the Association’s business and affairs.
- 4.2 To purchase, receive, take or otherwise acquire for and in the name of NATCCO MBAI, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or prudent.
- 4.3 To invest the funds of NATCCO MBAI in other corporations or for such purposes other than those for which the Association was organized, subject to such approval of the members as may be required by law.
- 4.4 To incur indebtedness as the Board may deem necessary, to issue evidence of indebtedness including notes, deeds of trust, bonds, debentures, or any securities

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subject to such approval of the members as may be required by law, and/or pledge, mortgage, or otherwise encumber part of the properties of NATCCO MBAI.

- 4.5 To establish pension, retirement bonus, or other types of incentives or compensation plans for the members, employees, including officers and Trustees of NATCCO MBAI.
- 4.6 To prosecute, maintain, defend, compromise, submit to arbitration or abandon any lawsuit in which NATCCO MBAI, or its officers are either plaintiffs or defendants in connection with the affairs of NATCCO MBAI.
- 4.7 To implement these by-laws and to act on any other matter not covered by these by-laws, provided such matter does not require the approval or consent of the members of NATCCO MBAI under the Corporation Code.
- 4.8 To appoint and dismiss any officer of NATCCO MBAI and may create positions necessary to NATCCO MBAI operation.
- 4.9 To delegate any of its powers or function to an executive committee or any officer or any standing or special committee of NATCCO MBAI.
- 4.10 To approve all contracts for construction and major repairs or maintenance work, and other contracts involving amounts over fifteen percent of the Association's net worth.
- 4.11 To approve all contracts involving the sale of non-current assets;
- 4.12 To create other committees, it may deem necessary;
- 4.13 To oversee the development, review and approval of the company's business objectives and strategy;
- 4.14 To oversee and monitor the implementation of the company's business objectives and strategy in order to sustain the company's long term viability and strength.

**5. EFFECTIVITY**

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This charter will take effect upon the approval of the Board of Trustees.

**6. REVIEW OF CHARTER**

The charter will be reviewed by the Board of Trustees. Change/s will be approved by the members.

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