

## ANNUAL CORPORATE GOVERNANCE REPORT OF

### NATIONAL CONFEDERATION OF COOPERATIVES

### MUTUAL BENEFITS ASSOCIATION (NATCCO MBA), INC.

1. For the fiscal year ended: **2021**
2. Certificate Authority Number: **2020-04-R**
3. **QUEZON CITY, PHILIPPINES**  
Province, Country or other jurisdiction of incorporation or organization:
4. **3<sup>RD</sup>/FLR, NATCCO BUILDING, 227 JP RIZAL ST.,** **1109**  
**PROJECT 4, QUEZON CITY**  
Address of Principal Office Postal Code
5. **02-962 3408 / 0998-5946712**  
Company's telephone number, including area code
6. [www.natccombia.org](http://www.natccombia.org)  
Company's official website
7. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

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<b>RECOMMENDED CG PRACTICE/POLICY</b>	<b>COMPLIANT / NON-COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
Principle 1. Establishing A Competent Board, the company should be headed by a competent, working Board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. The Board should be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	The association’s Board of Trustees is composed of professional individuals with diverse background. Though, most of them are from cooperative sector, their skills, expertise and knowledge are very much different, ranging from legal, risk management, finance, audit, training, marketing and sales to information technology.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT: BOARD OF TRUSTEES</b>
2. Board has an appropriate mix of competence and expertise	COMPLIANT		The Board of Trustees ensures right mix of competence and expertise.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BOARD DIVERSITY POLICY</b>
3. Directors remain qualified for their positions	COMPLIANT		The Nomination Committee guarantees that the nominated candidates are qualified based on the current requirement of the association.

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individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.			Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT: BOARD OF TRUSTEES ELECTION CODE</b>
Recommendation 1.2			
1. The Board should be composed of a majority of non-executive directors	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	The 2021 set of Board of Trustees is mostly composed of NED:  <b>NED:</b> EVELIA B. TIZON ELLEN R. PASTORES JUPITER B. BONILLA MA. VERONICA B. SIERRA ROMEO M. MAGDAONG  <b>ID:</b> ADOLFO I. IBAÑEZ RYAN ARTHUR DG. PADILLA  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>2021 ANNUAL REPORT: 2021 BOARD OF TRUSTEES</b>

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Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	COMPLIANT	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	<p>Included in the associations strategic objectives is the Learning &amp; Growth. The Board of Trustees, as the most crucial members of our “think tank” must have continuous learning and development to steer the association in the right direction.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p><b>CAPACITY BUILDING PROGRAM FOR BOT</b></p>
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	<p>First time directors must undergo at least 8 hours of training with these topics:</p> <p><b>ORIENTATION</b></p> <p>1.1 NMBAI history and profile and products and services</p> <p>1.2 STRATEGIC Direction</p> <p style="padding-left: 20px;">1.2.1 Vision, Mission, Values</p> <p style="padding-left: 20px;">1.2.2 Strategic objectives (strategy map)</p> <p>1.3 Articles of Incorporation and Bylaws</p> <p>1.4 ACGS and IC Annual Corporate Governance Report</p> <p>1.5 Board of Trustees Charter 1.5.1 Board Responsibilities;</p>
3. Company has relevant annual continuing training for all directors	COMPLIANT		

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			<p>1.5.2 illegal activities of corporations/directors/officers;  1.5.3 Liabilities of directors;  1.5.4 Confidentialities; 1.5.5 Protection of minority shareholders  1.6 Conflict of Interest (RPT)</p> <p>To ensure continuous development, existing Board of Trustees must also undergo at least 8 hours of training, with these topics:</p> <p><b>COMPLIANCE SEMINARS</b>  2.1 Code of Corporate Governance for IC Regulated Companies;  2.2 Anti-Money Laundering Act (AMLA)</p> <p><b>CONTINUING EDUCATION PROGRAM</b>  3.1 ICD's Professional Directors Program [5 modules]  3.1.1 Corporate governance  3.1.2 Strategy for Directors  3.1.3 Policy for Directors  3.1.4 Board Oversight  3.1.5 Accountability for Directors  3.2 Enterprise Risk management;  3.3 Case studies and Financial Reporting and Audit  3.4 All other local/international seminars, conferences and study tours available and</p>

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			<p>relevant for knowledge enhancement of the board of trustees</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT</b>  <b>CAPACITY BUILDING PROGRAM FOR BOT</b></p>
Recommendation 1.4			
1. Board has a policy on board diversity	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	<p>NATCCO MBAI recognizes and supports the benefits of having a diverse Board and sees increasing diversity at Board level as an important element in maintaining sound corporate governance, realization of sustainable and balanced development and in achieving strategic objectives.</p> <p>Board diversity will be considered from varied aspects when designing the Board's composition, including but not limited to gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, and length of service of directors and other regulatory requirements.</p>

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			<p>The Board will likewise strive to ensure that there is independence and appropriate representation of women in the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.</p> <p>All Board appointments are made on merit based on objective criteria, taking into consideration the skills, experience, independence and knowledge.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p><b>BOARD DIVERSITY POLICY</b>  <b>ANNUAL REPORT: BOARD OF TRUSTEES</b></p>
Recommendation 1.5			
1. The Board is assisted in its duties by a Corporate Secretary	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions	The Board Secretary of NATCCO MBI is MILDRED C. CEREZO
2. Corporate Secretary is a separate individual from the Compliance Officer	COMPLIANT		She is not a member of the Board and also not the Compliance Officer.

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3. Corporate Secretary is not a member of the Board of Directors,	COMPLIANT		Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT: BOARD OF TRUSTEES</b>
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	The Board Secretary attended the exclusive Corporate Governance and AMLA training provided by the ICD last May 30 – June 1, 2018.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>REGULATORY REQUIRED TRAININGS</b> <b>ANNUAL REPORT: BOT TRAININGS</b>
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, qualifications, duties and functions	In compliance with the IC requirements, the Board has appointed  MINERVA G. TEJADA  As the Compliance Officer.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>

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			<b>REGULATORY REQUIRED TRAININGS 2021 ANNUAL REPORT: BOT TRAININGS</b>
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	NON-COMPLIANT		<p>NATCCO MBAI has a small and lean organization. In the operations, we only have eight (8) employees, composed of: 1 CEO/President; 1 Accounting Supervisor; 2 Accounting Staff; 1 MIS Supervisor; 1 MIS Staff; 1 Claims Supervisor; 1 Marketing Officer.</p> <p>For now, due to limitations on our budget, we cannot hire additional staff, Vice President, to be our Compliance Officer. Thus, the Board of Trustees appointed the President as the Compliance Officer, since 2016.</p> <p>Once the Vice President position has been filled-up, he/she will be then appointed as the Compliance Officer.</p>
3. Compliance Officer is not a member of the board	COMPLIANT		<p>The Compliance Officer is not a member of the Board, but she sits in the board meetings as the head of the management team.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p>

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			<b>ANNUAL REPORT: BOT TRAININGS</b>
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	The Compliance Officer is attending the required trainings annually. Latest attended is the Governance and AMLA Workshop conducted by Rimansi/MiMap last October 2020.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>REGULATORY REQUIRED TRAININGS</b>
Principle 2: The fiduciary roles, responsibilities and accountabilities Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The Board is expected to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders.  The meeting materials are provided to them at least 5 days before the scheduled meeting, and usually uploaded in the google drive provided for this purpose.

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			<p>Also, meetings are scheduled in advance to ensure the availability of the Board.</p> <p>Minutes of the meetings are found in the website.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>MINUTES OF THE MEETINGS</b></p>
Recommendation 2.2			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	<p>Back in June 2018, the association with the guidance of ICD, has crafted its 7-year strategy map. This will cover the years 2019 to 2025.</p> <p>NATCCO MBI Strategy Map was created on June 2018, with 7-year plan covering years 2019 to 2025.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>BUSINESS OBJECTIVES AND STRATEGY</b></p>

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2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT		<p>The monitoring of the business objectives is included in the Annual Reports provide to members every year.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT</b></p>
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	<p>The Board is headed by            MS. ELLEN R. PASTORES (JAN-MAY) and MS. EVELIA BARDOS-TIZON (JUNE-DECEMBER)</p> <p>They are both very qualified with skills, experience and knowledge in the insurance industry and cooperative sector. They are also knowledgeable in audit and risk management.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT</b></p>
Recommendation 2.4			

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1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	<p>The Bylaws and Corporate Governance Manual of the association have indicated all the functions and responsibilities of the Board of Trustees.</p> <p>Also indicated are the terms of each Trustee. With the Nomination Committee overseeing the qualifications of each member, program continuity is in placed.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AMENDED BYLAWS</b>  <b>CORPORATE GOVERNANCE MANUAL</b></p>
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	<p>The Board of Trustees are not receiving any salary.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AMENDED BY-LAWS</b></p>
2. Board aligns the remuneration of key and board members with long	COMPLIANT		

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term interests of the company.			
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	The association's Corporate Governance Manual and Election Code have listed down its policy on candidate's qualifications, election policy and proceedings both for normal practice or virtually.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ELECTION CODE</b>
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board.	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	

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5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs  Identify transactions that were approved pursuant to the policy.	The Board ensures that the association has a group-wide policy and system governing RPTs and other unusual or infrequently occurring transactions. Although, there is no transaction made yet that fall under this category. In case there will be a need, the RPT Committee and ultimately the Board will ensure the full compliance and implementation stated in its policy.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness	COMPLIANT		Reference:

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and transparency of the transactions			<a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		<b>RELATED PARTY TRANSACTION POLICY</b>
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed.	Included in the responsibilities and functions of the Board is ensuring that the operations is run by competent management team. Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AMENDED BY-LAWS</b> Bylaws, Article V, Section 1, h <b>CORPORATE GOVERNANCE MANUAL</b>
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.  Provide information on the assessment process and indicate frequency of assessment of performance.	Annual evaluation is done by the Board and committees, while the Board evaluates the key officers especially the President, who heads the operations team.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>

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(Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).			<b>EVALUATION FORM – BOARD COMMITTEES OFFICERS</b>
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	Effective and efficient performance of the management is very important. Though, in the regular Board Meetings, the association's performance is being discussed, annual evaluation is being done to assess the overall performance.  The Board evaluates its group performance as well as individual performance.  For the evaluation of President, taken into considerations are the following: <ol style="list-style-type: none"> <li>1. Finance and operations management,</li> <li>2. Human Resources;</li> <li>3. Products and services; and</li> <li>4. Planning and governance</li> </ol> <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		<b>EVALUATION FORM – BOARD COMMITTEES OFFICERS</b>

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			<b>HR Manual – Productivity Bonus &amp; Salary Increase</b>
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	The Board ensures internal control by establishing different policies such as code of conduct, ERM, RPT, anti-fraud policy, BCP, data privacy, AMLA and whistle blowing. On the other hand, the management is in charge of day-to-day activities making sure that all is properly communicated to its stakeholders especially the members.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	The Board has approved the Audit Committee Charter.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>COMMITTEE CHARTERS: AUDIT COMMITTEE CHARTER</b>
Recommendation 2.11			

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<p>1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</p> <p>Provide proof of effectiveness of risk management strategies, if any</p>	<p>All activities undertaken by NATCCO MBAI, also referred to as Association in this policy, carry an element of risk. The exposure to these risks is managed through the practice of Enterprise-Wide Risk Management (ERM). In managing risk, it is the Association's practice to take advantage of potential opportunities while managing potential adverse effects. Managing risk is the responsibility of everyone in the Association.</p> <p>The policy outlines the Association's risk management process and sets out the responsibilities of the Board, the Audit Committee and Board Risk Oversight Committee (BROC), senior management and others within the Association, in relation to risk management.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ERM POLICY</b></p>
<p>2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as</p>	<p>COMPLIANT</p>		<p>It is the declared policy of NATCCO MBAI to create, protect, and enhance member value and its viability by managing the uncertainties that could have an impact on achieving its objectives. ERM policy has been developed to</p>

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the effectiveness of risk management strategies.			<p>ensure that the Association achieves its objectives by maintaining an ERM framework such that:</p> <ol style="list-style-type: none"> <li>1. Significant current and emerging risks and opportunities are identified and understood;</li> <li>2. Appropriate risk management systems to manage these risks are developed and effectively implemented;</li> <li>3. Regular reviews are conducted to evaluate the effectiveness of risk control measures; and</li> <li>4. Reports are produced on a regular basis regarding the adherence to the policy</li> </ol> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ERM POLICY</b></p>
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	<p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>MBAI BOARD CHARTER</b></p>
2. Board Charter serves as a guide to the directors in the	COMPLIANT		

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performance of their functions.			
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
<p>Principle 3. Establishing Board Committees Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter</p>			
<p>Recommendation 3.1</p>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company.	<p>To help the Board attain its optimum performance, it created committees, namely:</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Corporate Governance Committee</li> <li>3. Board Risk Oversight Committee</li> <li>4. Nomination Committee</li> <li>5. RPT Committee</li> <li>6. Executive Committee</li> <li>7. Policy Review Committee</li> <li>8. Product Review and Development Committee</li> <li>9. Marketing Committee</li> <li>10. Investment Committee</li> <li>11. MIS Committee</li> </ol>

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			Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>COMMITTEE CHARTERS</b>
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.  Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	The Audit Committee ensures that their responsibilities are carried out correctly and properly.  Every Annual Meeting, the Audit Committee recommends the appointment of External Auditor. Likewise, if they think that there is a need to replace the current external auditor, they also recommend this.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Audit Committee is composed of 4 members: 1. ADOLFO A. IBAÑEZ INDEPENDENT TRUSTEE, CHAIRPERSON RYAN 2. ARTHUR DG. PADILLA 3. MA. VERONICA B. SIERRA 4. JUPITER B. BONILLA (Jan-May) ELLEN R. PASTORES (June-Dec)
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or	They are very much qualified with background, knowledge, skills and experience that are required to be part of the committee.

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the areas of accounting, auditing and finance.		experience of the members of the Audit Committee.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	<b>BOARD OF TRUSTEES &amp; COMMITTEES AUDIT BOARD CHARTER</b>
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions  Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable,	The Board established the Corporate Governance Committee, and they are tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to Remuneration Committee. The association's Board decided to retain the Nomination Committee and this committee is in charge of identifying the qualifications of the directors to ensure they are aligned with the association's strategic direction.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	CGC is composed of 5 members, with 1 consultant for Remuneration: 1. EVELIA B. TIZON – CHAIRPERSON 2. ADOLFO A. IBAÑEZ 3. RYAN ARTHUR DG. PADILLA 4. ELLEN R. PASTORES 5. JUPITER B. BONILLA 6. RUSTICO GALANG, JR.
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Provide information or link/reference to a document containing information on the	

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		Chairman of the Corporate Governance Committee.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BOARD OF TRUSTEES &amp; COMMITTEES CORPORATE GOVERNANCE COMMITTEE CHARTER</b>  <b>EFFECTIVE 2022, CGC IS NOW HEADED BY AN INDEPENDENT DIRECTOR, ATTY. ADOLFO A. IBÁÑEZ.</b>
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The BROC assists the Board of Trustees in fulfilling its oversight of NMBAI's Risk Management system to ensure its functionality and effectiveness.  BROC is composed of 5 members: 1. RYAN ARTHUR DG. PADILLA – INDEPENDENT TRUSTEE, CHAIRPERSON 2. EVELIA B. TIZON 3. ELLEN R. PASTORES 4. ROMEO M. MAGDAONG 5. ZORAHAYDA A. CAFIRMA
2. BROC is composed of at least three members, the majority of whom should be	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	

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independent directors, including the Chairman.			Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROCC	<b>BOARD OF TRUSTEES &amp; COMMITTEES BOARD OVERSIGHT AND RISK COMMITTEE (BROCC)CHARTER</b>
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.	
Recommendation 3.5			
1. The Board establishes a Related Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company	COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	The association created the Related Party Transactions Committee. It will establish policies and procedures for transactions between related parties. These policies shall be made to ensure that such transactions are only undertaken on an arm's length basis for financial, commercial, and economic benefit of NATCCO MBI, and the entire group where it belongs.  RPT Committee is composed of 3 members: 1. ELLEN R. PASTORES, BOARD CHAIRPERSON, REGULAR TRUSTEE 2. ADOLFO A. IBAÑEZ – INDEPENDENT TRUSTEE
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	

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			<p>3. RYAN ARTHUR DG. PADILLA - INDEPENDENT TRUSTEE</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p><b>RPT POLICY</b>  <b>RPT COMMITTEE CHARTER</b>  <b>BOARD OF TRUSTEES &amp; COMMITTEES</b></p>
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	<p>The Board created the following committees:</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Corporate Governance Committee</li> <li>3. Board Risk Oversight Committee</li> <li>4. Nomination Committee</li> <li>5. RPT Committee</li> <li>6. Executive Committee</li> <li>7. Policy Review Committee</li> <li>8. Product Review and Development Committee</li> <li>9. Marketing Committee</li> <li>10. Investment Committee</li> <li>11. MIS Committee</li> </ol> <p>Reference:</p>
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed	

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			<a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>COMMITTEE CHARTERS</b> <b>EVLUATION FORM – BOARD COMMITTEES OFFICERS</b>
<p>Principle 4. Fostering Commitment To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1</p>			
<p>1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele- /videoconferencing conducted in accordance with the rules and regulations of the Commission</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings</p>	<a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>2020 MINUTES OF THE MEETINGS</b> <b>MOM, 03/09/20 BR#9</b> <b>MOM 06/20/2020 BR#17</b> All meeting materials are shared via Google Drive
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>		

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3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p>	<p>As stated in the association's amended bylaws – "the Board of Trustees of the NATCCO MBI shall consist of at least seven (7) members, with at least two (2) Independent Trustees. The Trustees to be elected must be of legal age, recognized active member of any NATCCO MBI partner cooperative has maximum of five (5) directorship and is willing to perform the functions of a trustee without any remuneration."</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AMENDED BYLAWS</b>  <b>ELECTION CODE</b></p>
Recommendation 4.3			

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<p>1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>The Board of Trustees are aware that disclosure and transparency among them are very important. This includes directorship with other companies. Though, it doesn't happen yet, the Trustees are requested to inform the association if they will accept directorship with other company(ies).</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AMENDED BYLAWS</b>  <b>ELECTION CODE</b></p>
<p>Principle 5. Reinforcing Board Independence. The board should endeavor to exercise an objective and independent judgment on all corporate affairs</p>			
<p>Recommendation 5.1</p>			
<p>1. The Board should be composed of at least twenty percent (20%) independent directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board.</p>	<p>Currently, there are seven (7) Board of Trustees:</p> <ol style="list-style-type: none"> <li>1. EVELIA B. TIZON –CHAIRPERSON</li> <li>2. ELLEN R. PASTRORES – VICE CHAIRPERSON</li> <li>3. JUPITER B. BONILLA – REG. TRUSTEE</li> <li>4. ROMEO M. MAGDAONG – REG. TRUSTEE</li> <li>5. MA. VERONICA B. SIERRA – REG. TRUSTEE</li> </ol>

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RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>6. ADOLFO A. IBAÑEZ – INDEPENDENT TRUSTEE</p> <p>7. RYAN ARTHUR DG. PADILLA - INDEPENDENT TRUSTEE</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT: BOARD OF TRUSTEES</b></p>
Recommendation 5.2			
<p>1. The independent directors possess a necessary qualification and none of the disqualifications to hold the position.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p>	<p>All candidates for Independent Trustee are screened and verified by the Nomination Committee. This also ensures that there will be right mix of expertise, skills, experience and knowledge.</p> <p>Guided by the Diversity Policy which indicates that:  “4.4. To avoid groupthink, the composition of the Board must include expertise or working knowledge on, but not limited to:  4.4.1. Insurance  4.4.2. Legal  4.4.3. Finance and Audit</p>

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			<p>4.4.4. Information Technology  4.4.5. Taxation  4.4.6. Risk Management  4.4.7. Cooperative Management  4.4.8. Human Resource  4.4.9. Sales and Marketing  4.4.10. Corporate Governance  4.4.11. Total Quality Management  4.4.12. Research and Development</p> <p>4.5. Women representation in the Board must be at least two (2), subject to compliance with the provision in paragraph 4.4”  The Nomination Committee assess the current needs of the association, and appointment of Independent Trustees will follow the policy.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT: BOARD OF TRUSTEES</b></p>
Recommendation 5.3			
1. The independent directors serve for a to a maximum cumulative term of nine years.	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	<p>The two (2) Independent Trustees joined the association on 2016 and 2019, respectively:</p> <p>1. ADOLFO A. IBAÑEZ – 2016 to present</p>

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<p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>			<p>2. RYAN ARTHUR DG. PADILLA – 2019 to present</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT: BOARD OF TRUSTEES</b></p>
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	<p>Provide information or link/document containing information on the company's policy on term limits for its independent director.</p>	<b>ELECTION CODE – ARTICLE IV, NO.2</b>
<p>3. In the instance that the company retains an independent director in the same capacity after nine</p>	COMPLIANT	<p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders'</p>	<p>No instance yet, but will comply if this happens.</p>

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years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.		approval during the annual shareholders' meeting.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer.	Currently, the Board Chairperson and the President are held by separate individuals:  ELLEN R. PASTORES – BOARD CHAIRPERSON MINERVA G. TEJADA – PRESIDENT  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT: BOARD OF TRUSTEES</b>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.  Identify the relationship of Chairman and CEO.	The Board of Trustees and Management have clearly defined functions as indicated in the Bylaws and Corporate Governance Manual.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AMENDED BYLAWS</b> <b>ANNUAL REPORT: BOARD OF TRUSTEES</b>

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Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent</p>	<p>The association has 2 Independent Trustees:</p> <ol style="list-style-type: none"> <li>1. ADOLFO A. IBAÑEZ – 2016 to present</li> <li>2. RYAN ARTHUR DG. PADILLA – 2019 to present</li> </ol> <p>Atty. Ibañez is the lead Independent Trustee.</p> <p>ELLEN R. PASTORES is the Board Chairperson and she is Regular Trustee.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT: BOARD OF TRUSTEES</b></p>
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same</p>	COMPLIANT	<p>Provide proof of abstention, if this was the case.</p>	<p>No incident yet, but the Board will comply if there will be a need.</p>
Recommendation 5.7			
<p>1. The non-executive directors (NEDs) have separate</p>	NON-COMPLIANT	<p>Provide proof and details of the said meeting, if any</p>	<p>To maintain objectivity and independence, the NEDs must conduct meetings with external and</p>

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periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.		Provide information on the frequency and attendees of meetings.	internal auditors without the ED. The board recognizes the importance of having impartial and objective discussion.  The association will ensure that such meeting will be conducted this 2022.
2. The meetings are chaired by lead independent director.	COMPLIANT		The Audit Committee Chairperson is an Independent Trustee and he will lead the meeting.
Principle 6. Assessing Board Performance. The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole	COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and Committees.	The Board conducts annual evaluation. Evaluation on the group performance and individual performance. This is facilitated by the Corporate Governance Committee.
2. The performance of the Chairman is assessed annually by the Board	COMPLIANT		Last August 2020, a new evaluation form was approved. These are for the Board,

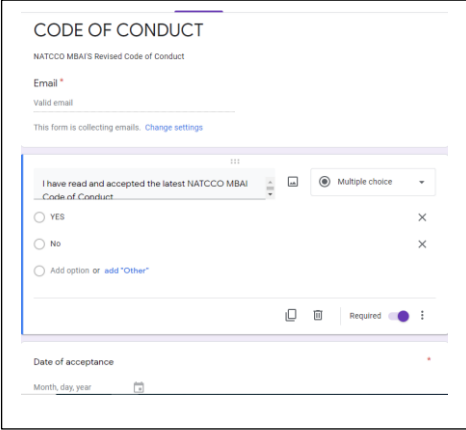
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<b>RECOMMENDED CG PRACTICE/POLICY</b>	<b>COMPLIANT / NON-COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
3. The performance of the individual member of the Board is assessed annually by the Board	COMPLIANT		Committees and for the President. And on January 2022, the BOT conducted the evaluation  Reference:
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		<a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BOT EVALUATION</b>
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The evaluation of the Board is facilitated by the Corporate Governance Committee.  In case of facilitation by external party, proceedings and result will be disclosed.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or link or reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	Using the approved evaluation forms, the group and individual performance of the Board and committee can be established.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>COMMITTEE EVALUATION</b>
2. The system allows for feedback mechanism from the shareholders.	COMPLIANT		

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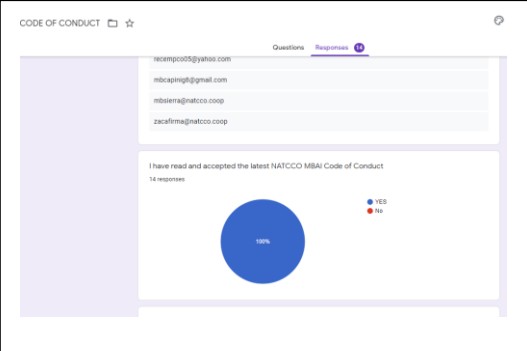
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders			
Recommendation 7.1			
<p>1. The Board should adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings.</p>	<p align="center">COMPLIANT</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>	<p>The NMBAI Code of Conduct is the foundation on how the Officers and Employees conduct their business. It puts NMBAI values into practice and guides the Officers' and employees' ethical behavior whenever and wherever they do business or act in behalf of NMBAI.</p> <p>The conduct of Insurance business is imbued with high public trust. All NATCCO MBAI officers and employees must conduct themselves with the highest degree of responsibility, integrity, loyalty and efficiency and must remain accountable to the NMBAI stakeholders.</p> <p>Thus, it is the declared policy of NATCCO MBAI that all Officers and employees must, at all times, comply with all applicable laws and regulations. NATCCO MBAI will not condone the activities of officers and employees who achieve results through violation of law and/or unethical business dealings.</p>

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RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>CODE OF CONDUCT</b>
2. The Code is properly disseminated to the Board, senior management and employees	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The policy was discussed with the Board during board meeting. A separate discussion was done with the employees.  Acceptance was recorded using google form. <div data-bbox="1532 743 1807 1003" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>CODE OF CONDUCT</p> <p>Have you read and accepted the latest NATCCO MBA Code of Conduct?</p> <p><input type="radio"/> Yes <input type="radio"/> No</p> </div> <div data-bbox="1532 1054 1951 1342" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>CODE OF CONDUCT</p> <p>Have you read and accepted the latest NATCCO MBA Code of Conduct?</p> <p>100% Yes</p> </div>

ANNUAL CORPORATE GOVERNANCE REPORT			
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	The copy can be found in the association's website.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>CODE OF CONDUCT</b>
Recommendation 7.2			
1. The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.  Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on noncompliance.	

# ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION																																																												
			<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">  </div> <p><b>Google form: NMBAI Policies: Discussion &amp; Acceptance Form</b></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th>Timestamp</th> <th>Email Address</th> <th>I have read and accepted the latest NATCCO MBAI Code of Conduct</th> <th>Date of acceptance</th> </tr> </thead> <tbody> <tr><td>3/4/2021 11:34</td><td>mines.tejada01@gmail.com</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/4/2021 12:07</td><td>mgsolsona@natcco.coop</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/4/2021 14:22</td><td>erpastores@gmail.com</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/8/2021 10:25</td><td>mbaquino@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 14:40</td><td>jdelacruz@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 15:07</td><td>drfrancisco@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 19:13</td><td>ymyugo@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/9/2021 10:24</td><td>magdaongromeo05@gmail.com</td><td>YES</td><td>3/9/2021</td></tr> <tr><td>3/10/2021 8:47</td><td>ebtizon@natcco.coop</td><td>YES</td><td>3/10/2021</td></tr> <tr><td>3/10/2021 18:00</td><td>jbonilla@natcco.coop</td><td>YES</td><td>2/13/2021</td></tr> <tr><td>3/11/2021 17:47</td><td>jmestocada@natcco.coop</td><td>YES</td><td>3/11/2021</td></tr> <tr><td>3/11/2021 18:54</td><td>jehn.estocada@gmail.com</td><td>YES</td><td>3/11/2021</td></tr> <tr><td>3/13/2021 8:10</td><td>ryanpadilla1125@gmail.com</td><td>YES</td><td>3/13/2021</td></tr> <tr><td>3/16/2021 17:16</td><td>jehn.estocada@gmail.com</td><td>YES</td><td>3/11/2021</td></tr> </tbody> </table> <p><a href="https://docs.google.com/forms/d/13k5S-PTcdxRRNhV1Sng2UwD-cCZRQV84OIBue3x0OnM/edit?fbclid=IwAR0xjsUUpvDpb50QfKNefQPvhSRIk9sVUvU5kqFN4e5dSrCJ2IjkC1liXxA#responses">https://docs.google.com/forms/d/13k5S-PTcdxRRNhV1Sng2UwD-cCZRQV84OIBue3x0OnM/edit?fbclid=IwAR0xjsUUpvDpb50QfKNefQPvhSRIk9sVUvU5kqFN4e5dSrCJ2IjkC1liXxA#responses</a></p>	Timestamp	Email Address	I have read and accepted the latest NATCCO MBAI Code of Conduct	Date of acceptance	3/4/2021 11:34	mines.tejada01@gmail.com	YES	3/4/2021	3/4/2021 12:07	mgsolsona@natcco.coop	YES	3/4/2021	3/4/2021 14:22	erpastores@gmail.com	YES	3/4/2021	3/8/2021 10:25	mbaquino@natcco.coop	YES	3/8/2021	3/8/2021 14:40	jdelacruz@natcco.coop	YES	3/8/2021	3/8/2021 15:07	drfrancisco@natcco.coop	YES	3/8/2021	3/8/2021 19:13	ymyugo@natcco.coop	YES	3/8/2021	3/9/2021 10:24	magdaongromeo05@gmail.com	YES	3/9/2021	3/10/2021 8:47	ebtizon@natcco.coop	YES	3/10/2021	3/10/2021 18:00	jbonilla@natcco.coop	YES	2/13/2021	3/11/2021 17:47	jmestocada@natcco.coop	YES	3/11/2021	3/11/2021 18:54	jehn.estocada@gmail.com	YES	3/11/2021	3/13/2021 8:10	ryanpadilla1125@gmail.com	YES	3/13/2021	3/16/2021 17:16	jehn.estocada@gmail.com	YES	3/11/2021
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<b>ANNUAL CORPORATE GOVERNANCE REPORT</b>			
<b>RECOMMENDED CG PRACTICE/POLICY</b>	<b>COMPLIANT / NON-COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		The Code of Conduct was discussed with the Board of Trustees and Officers, and to all employees as well.  Feb 13, 2021 - Board of Trustees & Officers; Mar 4, 2021 – employees
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. The Board should establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	The association strongly believes disclosure and transparency. In accordance with the Corporate Governance Manual, the Board and Officers disclose all important matters to the members through the Annual Meeting that happened every last Tuesday of the month of May. Likewise, all reports are all indicated in the published Annual Report of the association.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>

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			<b>Corporate Governance Manual Annual Report</b>
Recommendation 8.3			
1. The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	All relevant information about the association and key officers are available in the association's website.  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT</b>
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide like or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration	The NATCCO MBI is not giving salary to Board of Trustees. We do not have policy on board remuneration.

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procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.			Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>2019 AMENDED BYLAWS</b> <b>BOT have no salary</b>  <b>We have on-going request to Insurance Commission for the amendment of Articles of Incorporation and Bylaws.</b>
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	Like the Board of Trustees, the officers, except for the President/CEO, do not have salary by receive per diem on the activities they performed for the association. This per diem is approved by the Board.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>2019 AMENDED BYLAWS</b>
3. The company discloses remuneration on an individual basis including termination and retirement provision.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	The remuneration of the President (CEO) is anchored on fair and performance-based system. The association also follow its approved employee salary matrix and any changes on the President's remuneration is approved by the Board.

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			<a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>2019 AMENDED BYLAWS</b>
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	COMPLIANT	Disclose or provide reference/link to company's RPT policies  Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction	The association has created its RPT Policy.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>RPT POLICY</b>
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	Provide information on all previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4, Type/nature of transaction; 5, Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving,	The association has no material RPT yet. And in case there will be, based on its policy and commitment to transparency, RPT transactions will be disclosed to the stakeholders.

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		names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.	
Recommendation 8.6			
1. The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's where the Manual on Corporate Governance is posted.	<p>NATCCO MBAI is established to make sure that the cooperatives members have immediate access to microinsurance. All its products, services, policies, programs and procedures are created with the "smallest" member in mind.</p> <p>All relevant information about the association and its board and officers are found in the website.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>CORPORATE GOVERNANCE ANNUAL REPORT MANUALS POLICIES</b></p>
2. Company's MCG is posted on its company website			
<p>Principle 9. Strengthening The External Auditor's independence and improving Audit Quality The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			

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Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors	COMPLIANT	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Part of the Audit Committee's responsibilities is recommending the external auditor. This is presented to the members during the Annual Meeting.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AUDIT COMMITTEE CHARTER</b> <b>ANNUAL MEETING (MINUTES OF THE MEETINGS)</b>
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AUDIT COMMITTEE CHARTER</b> <b>ANNUAL MEETING</b> <b>Minutes of the meeting</b>
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	The incumbent external auditor is Banaria, Banaria and Company. They were reappointed in 2020 and 2021.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>

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			<b>AUDIT COMMITTEE CHARTER ANNUAL MEETING Minutes of the meeting</b>
Recommendation 9.2			
<p>1. Audit Committee Charter includes Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	<p>The assessment of the independence of the external auditor and oversight, among others are part of the responsibilities of the Audit Committee. The responsibilities of the Audit Committee are discussed in the Charter.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AUDIT COMMITTEE CHARTER</b></p>

## ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	As specified in the Audit Committee Charter, the Committee has the responsibility to oversee the external auditors.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AUDIT COMMITTEE CHARTER</b>
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	The Audit Committee is responsible for the review and confirmation of the independence of external auditors by obtaining statements regarding the relationship between the auditors and the association, including non-audit services, and discussing the relationships with the auditors.  No non-audit services, but if this happens, we will comply
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services.	As indicated in the Audit Committee Charter, the committee evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The committee

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impairing the external auditor's objectivity,			should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report.
Principle 10. Increasing Focus on Non-Financial and Sustainability Reporting The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	NATCCO MBAI believes in supporting not only the members, but equally important is the community. Giving back and sharing to community is what the LAKBAY MALASAKIT PROGRAM is. For 2021, the association has fulfilled its mission by providing help to the members greatly affected by calamities.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ANNUAL REPORT</b> <b>ENVIRONMENT-FRIENDLY VALUE CHAIN POLICY AND ACTIVITIES</b>

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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	<b>2021 SUSTAINABILITY REPORT</b>
Principle 11. The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	<p>The easiest way to connect with the association cooperative partners and members is through the use of social media such as facebook, twitter and Instagram. FB messenger also and the FB survey are also used to ensure immediate communication.</p> <p>During Annual Meeting, all relevant information and activities done are also reported to the general membership.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>ANNUAL REPORT</b>  <a href="http://www.natccombao.org">www.natccombao.org</a></p>

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			<a href="https://www.facebook.com/natccombaiofficial">https://www.facebook.com/natccombaiofficial</a>
Principle 12. To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. The Company should have an adequate and effective internal control system in the conduct of its business.	COMPLIANT	List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system.	The review of internal control systems is embedded in the audit of a particular process performed all year round based on the approved Audit Plan. The Annual Audit Plan is prepared using the risk-based audit methodology.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>AUDIT COMMITTEE CHARTER</b>
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>ERM POLICY</b>  Review of the framework is done annually.

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		3. How the company manages the key risks  Indicate frequency of review of the enterprise risk management framework.	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Internal audit is done by the Board appointed Auditor, and he uses COSO framework in the audit activity.
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed the Board	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Auditor who is appointed annually during the Annual Meeting acts as the Chief Audit Executive as well.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	His main responsibilities are listed down in the Bylaws.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>

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3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT		<b>ANNUAL REPORT: NATCCO MBAI OFFICERS AMENDED BYLAWS</b>  Internal audit is done by the Board appointed Auditor
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.	The risk management function is one of the most important line of defense, apart from Compliance, and is carried out by the Board Risk Oversight Committee (BROC). BROC reports functionally to the Board. The personnel under the BROC have collective knowledge and technical skills commensurate with business activities and risk exposures of the association.  Other related provisions are contained in the Enterprise-wide Risk Management Manual.  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BROC CHARTER</b>

## ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<b>ERM POLICY</b>
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/Background.	Concurrently, because of the association lean organization, the President acts as the CRO. The CRO responsibilities are listed down in ERM Policy, 5.4  Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BROC CHARTER</b> <b>ERM POLICY</b>
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	COMPLIANT		Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>BROC CHARTER</b> <b>ERM POLICY</b>
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	<b>Amended Bylaws, Article III, Section 2.</b> Rights of Members

**ANNUAL CORPORATE GOVERNANCE REPORT**

<b>RECOMMENDED CG PRACTICE/POLICY</b>	<b>COMPLIANT / NON-COMPLIANT</b>	<b>ADDITIONAL INFORMATION</b>	<b>EXPLANATION</b>
disclosed in the Manual on Corporate Governance.			<p>a. To exercise the rights to vote on all matters relating to the affairs of the association;</p> <p>b. To be eligible to any elective or appointive office of the association; <i>(as amended on November 11, 2019)</i></p> <p>c. To participate in the Annual Meetings of the Association; <i>(as amended on November 11, 2019)</i></p> <p>d. To avail of all the products of the Association; <i>(as amended on November 11, 2019)</i></p> <p>e. To examine the records or books of the Association during business hours, subject to the limitations set by laws. <i>(as amended on November 11, 2019)</i></p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>AMENDED BYLAWS</b>  <b>COPORATE GOVERNANCE MANUAL</b></p>
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website.	www.natccombai.org

ANNUAL CORPORATE GOVERNANCE REPORT			
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the agenda included in the company's information Statement</p>	<p>2021 Annual Meeting: May 25, 2021 Notice released: May 3, 2021; <b>22</b> days before the Annual Meeting</p> <p>Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p>Meeting Agenda as indicated in the NOTICE: 2021 Annual General Assembly: 2021 ANNUAL MEETING NOTICE TO REPRESENTATIVES</p>
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>	<p>The members are encouraged to participate in the Annual Meeting by asking questions or accepting the board resolutions and agreements. This is captured in the minutes of the Annual Meeting.</p> <p>Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>Annual Meeting minutes</b></p>

## ANNUAL CORPORATE GOVERNANCE REPORT

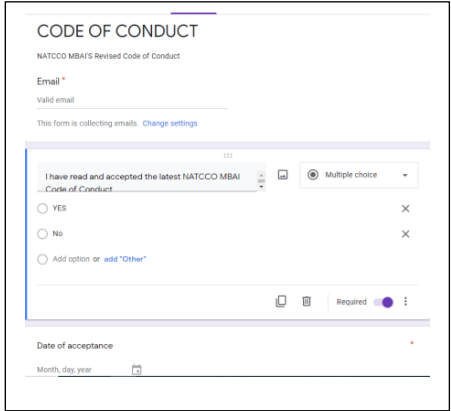
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>	<p>Minutes of the Annual Meetings are uploaded immediately the following day.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>Annual Meeting minutes of the meeting</b></p>
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</p>	<p>The association has an alternative dispute resolution system in place, and is duly documented.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>COPORATE GOVERNANCE MANUAL</b>  <b>CODE OF CONDUCT</b>  <b>ANTI-FRAUD PLAN</b></p>
2. The alternative dispute mechanism is included in	COMPLIANT	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p>	<p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>COPORATE GOVERNANCE MANUAL</b></p>

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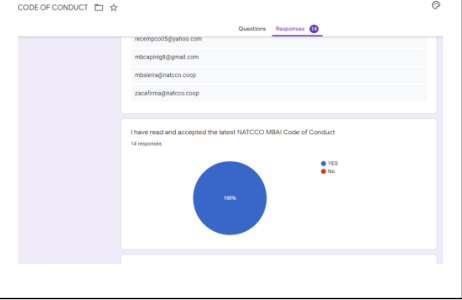
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
the company's Manual on Corporate Governance.			
<p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of the rights.</p>			
<p>Recommendation 14.1</p>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholders and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>Code of Conduct</b> <b>Equity Enhancement Policy</b> <b>Customer Welfare Policy</b>
<p>Recommendation 14.2</p>			
1. The Board should establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>Code of Conduct</b> <b>Equity Enhancement Policy</b> <b>Customer Welfare Policy</b>
<p>Recommendation 14.3</p>			

## ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders.</p>	<p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p><b>Whistleblowing Policy</b></p>
<p>Principle 15: A mechanism for employee participation should corporate governance processes. developed to create a symbiotic environment, realize the company's goals and participate in its</p>			
<p>Recommendation 15.1</p>			
<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>All programs and activities of NATCCO MBI with the goal of realizing its Vision, Mission and Values are carried out by the employees. Therefore, their active participation and buy-in in those are very important. Every annual planning of the association includes the participation of all employees.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a></p> <p><b>BUSINESS OBJECTIVES AND STRATEGY</b></p>

ANNUAL CORPORATE GOVERNANCE REPORT			
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	Reference: <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a> <b>CODE OF CONDUCT</b> <b>ANTI-FRAUD PLAN</b>
2. Board disseminates the policy and program to the employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization.	The policy was discussed with the Board during board meeting. A separate discussion was done with the employees.  Acceptance was recorded using google form.  

**ANNUAL CORPORATE GOVERNANCE REPORT**

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION																																																												
			 <table border="1" data-bbox="1525 746 2078 1062"> <thead> <tr> <th>Timestamp</th> <th>Email Address</th> <th>I have read and accepted the latest NATCCO MBI Code of Conduct</th> <th>Date of acceptance</th> </tr> </thead> <tbody> <tr><td>3/4/2021 11:34</td><td>mines.tejada01@gmail.com</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/4/2021 12:07</td><td>mgsolsona@natcco.coop</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/4/2021 14:22</td><td>erpastores@gmail.com</td><td>YES</td><td>3/4/2021</td></tr> <tr><td>3/8/2021 10:25</td><td>mbaquino@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 14:40</td><td>jddelacruz@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 15:07</td><td>drfrancisco@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/8/2021 19:13</td><td>ymyugo@natcco.coop</td><td>YES</td><td>3/8/2021</td></tr> <tr><td>3/9/2021 10:24</td><td>magdaongromeo05@gmail.com</td><td>YES</td><td>3/9/2021</td></tr> <tr><td>3/10/2021 8:47</td><td>eltizon@natcco.coop</td><td>YES</td><td>3/10/2021</td></tr> <tr><td>3/10/2021 18:00</td><td>jbonilla@natcco.coop</td><td>YES</td><td>2/13/2021</td></tr> <tr><td>3/11/2021 17:47</td><td>jmestocada@natcco.coop</td><td>YES</td><td>3/11/2021</td></tr> <tr><td>3/11/2021 18:54</td><td>jehn.estocada@gmail.com</td><td>YES</td><td>3/11/2021</td></tr> <tr><td>3/13/2021 8:10</td><td>ryanpadilla1125@gmail.com</td><td>YES</td><td>3/13/2021</td></tr> <tr><td>3/16/2021 17:16</td><td>jehn.estocada@gmail.com</td><td>YES</td><td>3/11/2021</td></tr> </tbody> </table>	Timestamp	Email Address	I have read and accepted the latest NATCCO MBI Code of Conduct	Date of acceptance	3/4/2021 11:34	mines.tejada01@gmail.com	YES	3/4/2021	3/4/2021 12:07	mgsolsona@natcco.coop	YES	3/4/2021	3/4/2021 14:22	erpastores@gmail.com	YES	3/4/2021	3/8/2021 10:25	mbaquino@natcco.coop	YES	3/8/2021	3/8/2021 14:40	jddelacruz@natcco.coop	YES	3/8/2021	3/8/2021 15:07	drfrancisco@natcco.coop	YES	3/8/2021	3/8/2021 19:13	ymyugo@natcco.coop	YES	3/8/2021	3/9/2021 10:24	magdaongromeo05@gmail.com	YES	3/9/2021	3/10/2021 8:47	eltizon@natcco.coop	YES	3/10/2021	3/10/2021 18:00	jbonilla@natcco.coop	YES	2/13/2021	3/11/2021 17:47	jmestocada@natcco.coop	YES	3/11/2021	3/11/2021 18:54	jehn.estocada@gmail.com	YES	3/11/2021	3/13/2021 8:10	ryanpadilla1125@gmail.com	YES	3/13/2021	3/16/2021 17:16	jehn.estocada@gmail.com	YES	3/11/2021
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Recommendation 15.3																																																															
1. The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns	COMPLIANT	Disclose or provide link/reference to the company’s whistle-blowing policy and procedure for employees.	NATCCO MBI requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the association, there																																																												

## ANNUAL CORPORATE GOVERNANCE REPORT

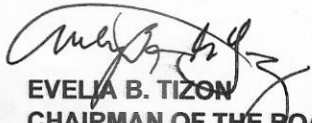
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
about illegal or unethical practices, without fear of retaliation.		Indicate if the framework includes procedures to protect the employees from retaliation,	must be a practice of honesty and integrity in fulfilling all responsibilities and to comply with all applicable laws and regulations.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns,	COMPLIANT	Provide contact details to report any illegal or unethical behavior.	The Whistleblowing Policy aims to give all employees and members the confidence to raise concerns about wrong behavior and practice, and to mitigate risks and losses through the early discovery of irregular activities. NMBAI commits itself to break down communication barriers and provide a safe internal communication channel for all employees to express their concerns through the enactment of the Policy, which allows for anonymous disclosures and the protection of informants from sanctions under specific conditions. The policy covers all reports or information in relation to actual or suspected fraud, misconduct activities, unlawful acts or omissions, violations of the Code of Conduct, danger to health and safety, improprieties or malpractice in the workplace, including those relative to matters of financial reporting, internal control and/or auditing. All employees, regardless of position or rank, who are witnesses to anomalies in the workplace are obliged to speak up and report the same personally or in writing to his/her unit head or
3. Board supervises and ensures the enforcement of the whistleblowing framework	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	

ANNUAL CORPORATE GOVERNANCE REPORT			
RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>any of the following officers, verbally or in writing.</p> <p>Currently, no whistleblowing incident yet.</p> <p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>Whistleblowing Policy</b></p>
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>Reference:  <a href="http://www.natccombai.org/corporate-governance/">http://www.natccombai.org/corporate-governance/</a>  <b>BUSINESS OBJECTIVE &amp; STRATEGY</b>  <b>SOCIAL IMPACT PERSPECTIVE</b></p>

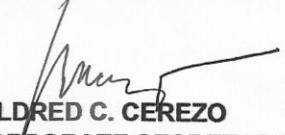
# CERTIFICATION


The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Quezon on the \_\_\_\_\_ of MAY 18 2022, 2022.

  
**EVELIA B. TIZON**  
CHAIRMAN OF THE BOARD  
Signature over printed name

  
**MINERVA G. TEJADA**  
PRESIDENT/CEO  
Signature over printed name

  
**MILDRED C. CEREZO**  
CORPORATE SECRETARY  
Signature over printed name

  
**MINERVA G. TEJADA**  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
Signature over printed name

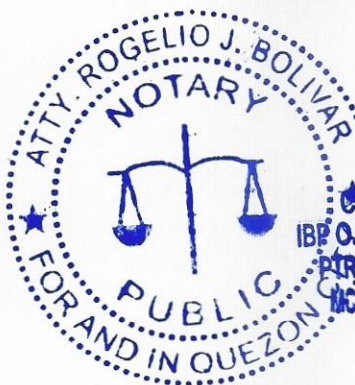
  
**ATTY. ADOLFO A. IBANEZ**  
INDEPENDENT DIRECTOR  
Signature over printed name


  
**RYAN ARTHUR DG. PADILLA**  
INDEPENDENT DIRECTOR  
Signature over printed name

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of MAY 18 2022, 2022, by the following who are all personally know to me (or whom I have identified through competent evidence of identity) and their respective identification document as follows:

NAME	ID	DATE/PLACE OF ISSUE
1. EVELIA B. TIZON	UMID CRN:0111-5638434-9	
2. MINERVA G. TEJADA	P0212758B	01/12/2019 / DFA NCR N.E.
3. MILDRED C. CREZO	P0703829B	02/18/2019 / DFA MANILA
4. ATTY. ADOLFO A. IBANEZ	P7258111A	05/22/2018 DFA TACLOBAN
5. RYAN ARTHUR DG. PADILLA	SSS# 33-4492977-6	

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Page No. 80  
Book No. 5-E  
Series of 2022



  
**ATTY. ROGELIO J. BOLIVAR**  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. Adm. Matter No. NP 204 (2021-2022)  
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022  
PTR O.R. No. 2463255D 1/3/22 / Roll No. 33832 / TIN# 129-871-009  
MCLE No. VI-0029583 valid from 12/16/19 valid until 04/14/22 Quezon City  
Address: 31-F Harvard St. Cubao, Q.C.