SIMBAG SA EMERHENSYA ASIN DAGDAG PASEGURO MUTUAL BENEFIT ASSOCIATION (SEDP MBA) INC.

1. For the fiscal year ended **2025**

2. Certificate Authority Number **2019-12-R**

3. **LEGAZPI CITY**
   Province, Country or other jurisdiction of incorporation or organization

4. **2nd LEVEL, SEDCEN BLDG. LANDCO BUSINESS PARK, LEGAZPI CITTY** 4500
   Postal Code

5. **(052) 481-4449**
   Company's telephone number, including area code

6. **mba.sedp.ph**
   Company's official website

7. ______________________________
   Former name, former address, and former fiscal year, if changed since last report.

Name of MBA: SIMBAG SA EMERHENSYA ASIN DAGDAG PASEGUROMUTUAL BENEFIT ASSOCIATION (SEDP MBA) INC.

2025 ANNUAL CORPORATE GOVERNANCE REPORT

	Compliant/ Non-Compliant	Additional Information	Explanation
THE BOARD GOVERNANCE RESPONSIBILITIES			
Principle 1. 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. Board composed of directors with collective working knowledge, experience, or expertise that is relevant to the company's industry/sector. 2. Board has an appropriate mix of competence and expertise. 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization	**COMPLIANT**	**Link and References:** The SEDP MBA Board of Trustees possesses collective working knowledge, relevant experience, and an appropriate mix of competencies and expertise. Trustees are selected based on their integrity, professional qualifications, and commitment to the Association's mission. Guided by the principles of servant leadership and faithful stewardship, the Board continually enhances its capabilities through governance training and continuing education to effectively fulfill its fiduciary responsibilities and meet the evolving needs of the Association and its members. Please refer to their respective profile: • SEDP MBA Website -Board of Trustees Profile https://mba.sedp.ph/corporate-governance https://mba.sedp.ph/storage/files/BOT%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	**COMPLIANT**	The Board of Trustees of SEDP MBA is composed of seven (7) members who are practicing Catholic in accordance with the association's By-Laws, three (3) trustees are elected by the active members with existing loans funded by the Simbag sa Pag-Asenso Inc. (A Microfinance NGO), two (2) are independent trustees, elected by the active members, one (1) represents Simbag sa Pag-Asenso, Inc., and one (1) represents the Social Action Center (SAC) of the Diocese of Legazpi. **Link and References:** • SEDP MBA Website (mba.sedp.ph) SEDP MBA Board of Trustees Composition https://mba.sedp.ph/who-we-are/our-institution	

Recommendation 1.3			
1.Company providesin itsBoardCharter or Manual on Corporate Governance a policy on the training of directors.	**COMPLIANT**	TheGovernanceCommitteeprovidesfortheboard's effectivenessand continuing development. The specific responsibilities of the Governance Committee include: • Recommending to the board policies and processes designed to provide for effective and efficient governance, including but not limited to policies for: o Evaluation of the board and the chairperson. o Electionandre-electionofboardmembers. o Board orientation and education. o Successionplanningfortheboardchairandotherboard members. **Link and References:** • Governance Committee Charter Page 2 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf#page=2 • Corporate Governance Manual Board of Trustees Commitment Page 10 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=10 • Board of Trustee Orientation Program https://mba.sedp.ph/storage/files/BOT%20ORIENTATION%20PROGRAM.pdf	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.	**COMPLIANT**	Orientation program is conducted for first time Directors/Trustees within fifteen (15) days from assumption of office familiarize them with the Association's governance framework, operations, and Board responsibilities. **Link and References:** • Governance Committee Charter Page 2 Responsibilities of the Committee Page 2 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf#page=2 • BOT Training Program https://mba.sedp.ph/storage/files/BOT%20ORIENTATION%20PROGRAM.pdf • BOT Orientation Certificate https://mba.sedp.ph/storage/files/Board%20of%20Trustees%20Orientation%20Certificate.pdf	
3. Company has relevant annual continuing training for all directors	**COMPLIANT**	Training Attended for the year 2025 **Link and References:** • **2025 Annual report Board of Trustee Trainings Attended Page 73-79 & Page 82** https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=75	

		https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=84 • SEDP MBA Website -Trainings Attended https://mba.sedp.ph/storage/corporate-governance/trainings-attended/2025%20Trainings.pdf#page=4	
Recommendation 1.4			
1. Board has a policy on board diversity	**COMPLIANT**	The SEDP MBA Board of Trustee is composed of 7 members of 4 Female and 3 Male. The SEDP MBA Board of Trustees values diversity through a balanced mix of competencies, professional experience, and institutional representation. The Board is composed of professionals with expertise in finance, accounting, governance, organizational leadership, microfinance, community development, and pastoral leadership, including Certified Public Accountants (CPAs), a Doctor of Business Administration (DBA), members of the clergy, and independent trustees. This diversity strengthens the Board's strategic oversight and decision-making. **Link and References:** • SEDP MBA Board Diversity Policy https://mba.sedp.ph/files/SEDP%20MBA%20BOARD%20DIVERSITY%20POLICY.pdf • SEDP MBA Website https://mba.sedp.ph/who-we-are/our-institution	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	**COMPLIANT**	The Management Support Staff (MS) is currently performing the function of the Corporate Secretary who assists the Board during Board meetings and other relevant tasks of the Board of Trustees. **Link and References:** • **Management Support Staff Job Description** https://mba.sedp.ph/storage/files/Management%20Support%20Staff%20Job%20Description.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer	**COMPLIANT**	The acting Corporate Secretary is Ms. Nica Madrona, Management Support Staff of SEDP MBA and not functioning as Compliance officer. **Link and references:** • SEDP MBA Website (mba.sedp.ph) Management and Staff https://mba.sedp.ph/who-we-are/our-institution	

3.Corporate Secretary is not a member of the Board of Directors.	**COMPLIANT**	Corporate Secretary is not a member of the Board of Trustees Ms. Nica Madrona- Management Support Staff/ Corporate Secretary Link and References: • SEDP MBA Website (mba.sedp.ph) Management and Staff https://mba.sedp.ph/who-we-are/our-institution	
4. Corporate Secretary attends training/s on corporate governance.	**COMPLIANT**	The SEDP MBA Corporate Secretary attended the ASEAN Corporate Governance Scorecard facilitated by the Institute of Corporate Directors (ICD) and Governance and AMLA Workshop facilitated by the Rimansi Organization for Asia and the Pacific, Inc. **Link and References:** Ms. Nica Madrona- Management Support Staff/ Corporate Secretary Training Certificate https://mba.sedp.ph/storage/files/Corporate Sec. Certificate.pdf	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	**COMPLIANT**	The Board of Trustees is assisted by the General Manager, MS. Ella S. Gonzalo, appointed by the Board of Trustees as the Compliance Officer and is responsible for advising and assisting the Board in ensuring compliance with applicable laws, regulations, and regulatory requirements. While Ms. Josie B. Belen, the Admin and Finance Officer (AFO) serve as the Alternate Compliance Officer to provide continuity and support in the performance of the compliance function. **Link and References** • Job Description of General Manager/ Compliance Officer https://mba.sedp.ph/storage/files/General%20Manager%20Job%20Description.pdf • Job Description of Admin and Finance Officer/ Alternate Compliance Officer https://mba.sedp.ph/storage/files/Admin%20and%20Finance%20Officer%20Job%20Description.pd f	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	**COMPLIANT**	The Compliance and Alternate Compliance Officers of SEDP MBA are the following: 1. Ella Gonzalo, General Manager 2. Josie Belen, Admin & Finance Officer. **Link & References:** • Secretary Certificate: Compliance Officer and Alternate Compliance Officer https://mba.sedp.ph/storage/files/Secretary%20Certificate%20(2).pdf	
3.Compliance Officer is not a member of the board	**COMPLIANT**	SEDP MBA Compliance officers are part of the management team and not of the Board as stated in their designation. **Link & References:** https://mba.sedp.ph/who-we-are/our-institution	

4. Compliance Officer attends training/s on corporate governance annually.	**COMPLIANT**	The SEDP MBA Compliance Officer attended a series of trainings/seminar/workshop on Corporate Governance **Link and References:** •Compliance officer Certificate of Attendance https://mba.sedp.ph/storage/files/Compliance%20Officer%20Certificates.pdf	
Principle2. The fiduciary roles,responsibilities,andaccountabilities ofthe Boardas providedunderthe law,thecompany'sarticlesandby-law,andother legalpronouncements and guidelines should be made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directorsactonafullyinformed basis, in good faith, with due diligence and care, and in the best interest of the company.	**COMPLIANT**	The SEDP MBA Board of Trustees makes informed and objective decisions based on complete and relevant information. Board deliberations encourage active participation and careful evaluation to ensure that decisions uphold the best interests of the Association and its members. **Link and References:** • Board Performance EvaluationPolicy Coverage of Evaluations Page 5-6 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=5 • Board Performance EvaluationPolicy BOT Performance Evaluation Tool Page 8-12 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=8 • 2025 Board Resolutions https://mba.sedp.ph/storage/corporate-governance/board-resolutions/2025%20BOARD%20RESOLUTIONS.pdf • 2025 BOT Evaluation Result https://mba.sedp.ph/storage/corporate-governance/board-of-trustees-evaluation-result/BOARD%20EVALUATION%20RESULT%202025.pdf	

Recommendation 2.2			
1. Board oversees the development, review, and approval of the company's business objectives and strategy.	**COMPLIANT**	The Board of Trustees regularly oversees the development of the Association's Annual Plan by reviewing and approving the business objectives and strategies prepared by Management during the first quarter of each year. **LinkandReferences:** • Board of Trustees Meeting April 7, 2025 BOARD OF TRUSTEES RESOLUTION NO. 4 SERIES OF 2025 line 557. SEDP MBA 2025 PLAN Page-7-9 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=9 • Board of Trustees Meeting April 7, 2025 BOARD OF TRUSTEES RESOLUTION NO. 23 SERIES OF 2025 line 1339 SEDP MBA 2025 PROPOSED BUDGET Page-19-20 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=20	
2. Board oversees and monitors the implementation of the company's business objectives and strategy to sustain the company's long-term viability and strength.	**COMPLIANT**	The Board of trustees ensures the implementation of the set business objectives through the quarterly performance reviews. Based on the assessment results, the Board provides guidance and adopts appropriate actions to address gaps and ensure the Association's long-term sustainability. **Links and References:** • Board of Trustees Meeting April 7, 2025 BOARD OF TRUSTEES RESOLUTION NO. 4 SERIES OF 2025 line 577. SEDP MBA 2025 PLAN Page-7-9 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=9 • Board of Trustees Meeting April 7, 2025 BOARD OF TRUSTEES RESOLUTION NO. 23 SERIES OF 2025 line 1339 SEDP MBA 2025 PROPOSED BUDGET Page-19-20 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=20	
Recommendation 2.3			
1.Board is headedby acompetent and qualified Chairperson.	**COMPLIANT**	**Link and References:** • President/Chairman Profile- SEDP MBA Website -Board of Trustees Profile https://mba.sedp.ph/storage/files/Chairman%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	
Recommendation 2.4			
1. Board ensures and adopts an effective successionplanning program fordirectors, key officers, and management.	**COMPLIANT**	Thesuccession planningof SEDPMBABoardofTrustees is clearly stated in theGovernance CommitteeCharteras partof the responsibility of the Committee members. **Link and References:**	TheGovernanceCommitteeChairman has the plan to review the committee charter to update some required policies on

		• Governance Committee Charter Responsibilities Page 2 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf#page=2	
2. Board adopts a policy on the retirement for directors and key officers.	**COMPLIANT**	**Link and references:** https://mba.sedp.ph/storage/files/2025-%20Reserve%20Fund%20Dec25%201.pdf	
Recommendation 2.5			
1.Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	**COMPLIANT**	**Link and references:** • Employees Performance Evaluation Policy Salary Increase Page 8 https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=8	
2. Board aligns the remuneration of key officers and board members with the long- term interests of the company.	**COMPLIANT**	As Mutual Benefit Association and a non-stock, non-profit organization, the Board of Trustees does not have any remuneration and retirement benefits due to the nature of their service that is purely voluntary. **Link and References:** • SEDP MBA By Laws Article II Section 7 https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf#page=5	
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	**COMPLIANT**		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	**COMPLIANT**	The SEDP MBA have a Nomination Committee and BOT Election Guidelines that states the Composition, Qualifications, Remunerations and Terms of Office, Election Process and Election Flow **Link and References:** https://mba.sedp.ph/files/Nomination%20Committee.pdf Nomination Committee Meeting Minutes March 17, 2025 • Independent Trustee Representative from Social Action Center (SAC) line 108 https://mba.sedp.ph/storage/files/Nomination%20Comm.%20Meeting%20Minutes%20March%2017,%202025.pdf#page=2 • Nominees for General Membership line 139 https://mba.sedp.ph/storage/files/Nomination%20Comm.%20Meeting%20Minutes%20March%2017,%202025.pdf#page=3	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	**COMPLIANT**		The Board Nomination and election policy will be incorporated in the Corporate Governance Manual during the review and amendment by the Governance Committee
3. Board nomination and election policy include how the company accepts nominations from minority shareholders.	**COMPLIANT**		
4. Board nomination and election policy include how the board reviews nominated candidates.	**COMPLIANT**		

5. Board nomination and election policy include 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)andother unusualor infrequently occurring transactions	**COMPLIANT**	**Link and References:** • SEDP MBA Corporate Governance Manual Page 10 RELATED PARTY TRANSACTIONS (RPT) BY THE TRUSTEES AND KEY EXECUTIVES https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=10 • BOT Disclosure Statement https://mba.sedp.ph/storage/files/Disclosure%20Agreement%202025.pdf	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	**COMPLIANT**	Transaction of RPT between SEDP MBA and SEDP MFI on Loan granting and approval is one good example of Related Party Transaction between MSI's. SEDP MBA ensures that there will be a disclosed collateral on loan application and the required credit rating as required by the Insurance Commission. **Link and references:** SEDP MFI Credit Rating Summary of Board of Trustees Resolution No. 10 Minutes of the Meeting (Approval of Loan) https://res.cloudinary.com/djv7qdzny/image/upload/v1683789284/2020_BOARD_RESOLUTIONS_aa76fc07ae.pdf?updated_at=2023-05-11T07:14:45.566Z#page=2	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.	**COMPLIANT**		

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**	**Link and References:** • SEDP MBA Corporate Governance Manual PART II – GOVERNANCE STRUCTURE Board of Trustees General Duties & Responsibilities Page 6 H. to appoint and dismiss any employee of SEDP MBA whether regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=6	
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 (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).	**COMPLIANT**	Each staff has a unique Evaluation tool which was based on their job description. The performance was assessed through qualitative and quantitative competencies. The Performance Evaluation is conducted twice a year from Jan-June and July-December. The Performance Evaluation Result is the basis of the salary increase of the staff in which the Board of Trustees recommends and approves the percentage increase corresponding to the adjectival rating (Outstanding and Very Satisfactory) **Link and references:** • CEO/General Manager/Compliance Officer Performance Evaluation https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf • CEO/General Manager/ Compliance Officer Evaluation January- June 2025 and July- Dec 2025 https://mba.sedp.ph/storage/files/2025%20GM%20EVALUATION.pdf	

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	The Management was mandated by the Board of Trustees to have a Semestral performance evaluation report. **Link and references:** • Employees Performance Evaluation Policy https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf • 2025 Staff Evaluation Result https://mba.sedp.ph/storage/files/2025%20STAFF%20EVALUATION%20%20RESULT.pdf	
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		
Recommendation 2.10			
1.Board oversees that an appropriate internal control system is in place.	COMPLIANT	**Link and References:** • SEDP MBA Audit Committee Charter Pag-3-4 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3	
2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members, and shareholders.	COMPLIANT	**Link and References:** • SEDP MBA Audit Committee Charter Pag-3-4 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3	
3.Board approves the Internal Audit Charter	COMPLIANT	**Link and References:** • SEDP MBA Audit Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=1	

Recommendation 2.11			
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.	**COMPLIANT**	Risk Management is part of the Audit Committee responsibility. Proper Implementation and monitoring of Internal Control procedures are in-placed to mitigate the Enterprise Risk. **Link and References:** SEDP MBA ERM Framework https://mba.sedp.ph/storage/files/SEDP%20MBA%20ERM%202025-2027%202.0.pdf	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	**COMPLIANT**		
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**	**Link and References:** • Governance Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf • Audit Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf • Finance Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf • HR Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-charter.pdf SEDP MBA Website -CHARTERS https://mba.sedp.ph/corporate governance/#policies	
2. Board Charter serves as a guide to the directors in the performance of their functions.	**COMPLIANT**		
3. Board Charter is publicly available and posted on the company's website.			

Principle 3: Board committees should be set up to the extent possible to support the effective Board's actions, 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.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	**COMPLIANT**	**Link and References:** https://mba.sedp.ph/corporate-governance/#boardCommittees **https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf**	
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**	**Link and References:** • SEDP MBA Audit Committee Charter Page 3-4 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3 • SEDP MBA By-Laws Page 6-7 https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf#page=8 • 2025 AGMM Minutes May 31, 2025 Appointment of External Auditor line number 1595-1622 page 30 • AGMM RESOLUTION NO. 07 – 2025. APPROVAL OF THE 2025 EXTERNAL AUDITOR https://mba.sedp.ph/storage/corporate-governance/minutes-of-annual-general-meeting/2025%20AGMM%20MINUTES.pdf	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	**COMPLIANT**	**Link and References:** Composition of Audit Committee Fr. Eric Martillano– Independent Trustee Fr. Rafael Sambajon – Independent Trustee Ms. Rochelle Apoon – Trustee Ms. May Ann Carillo- Trustee • SEDP MBA Website -Board of Trustees Profile https://mba.sedp.ph/storage/files/Audit%20Com.%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-	

		report/2025%20Annual%20Report.pdf#page=22 • 2025 Annual Report Board Committee Composition Page 25 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=27	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.	**COMPLIANT**	**Link and References:** Fr. Eric Martillano– Independent Trustee Fr. Rafael Sambajon – Independent Trustee Ms. Rochelle Apoon - Trustee Ms. May Ann Carillo- Trustee • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22 • SEDP MBA Website- Board of Trustees Profile https://mba.sedp.ph/storage/files/Audit%20Com.%20Profile%202025.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.	**COMPLIANT**	**Link and References:** Fr. Eric Martillano is the Audit Committee Chairman. He is not the Chairman of the Board of Trustees neither a chairman of any other committees of the Board. https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf • SEDP MBA Website- Board of Trustees Profile https://mba.sedp.ph/storage/files/Audit%20Com.%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	

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**	**Link and References:** • SEDP MBA Governance Committee Charter is accessible through our website https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf	
2. Corporate Governance Committee is composed of at least three members, the majority of whom should be independent directors.	**COMPLIANT**	**Link and References:** • Composition of Governance Committee Ms. Teresita Galang, CPA, DBA-Chairman/Independent Trustee Ms. Remegia Balucio – Non- Executive Member Fr. Eric Martillano - Independent Trustee Fr. Rafael Sambajon – Independent Trustee/ Board Secretary • SEDP MBA Website- Governance Committee Profile https://mba.sedp.ph/corporate-governance/#boardCommittees https://mba.sedp.ph/storage/files/Governance%20Committee%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22 • 2025 Annual Report Board Committee Composition Page 24-25 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=26	
3. Chairman of the Corporate Governance Committee is an independent director.	**COMPLIANT**	**Link and References:** Ms. Teresita Galang, CPA, DBA – Chairman/Independent Trustee SEDP MBA Website -Board of Trustees Profile https://mba.sedp.ph/storage/files/Chairperson%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22 • 2025 Annual Report Board Committee Composition Page 24-25 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=26	

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	**Link and References:** • BROC Committee https://mba.sedp.ph/corporate-governance/#boardCommittees\ https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf • BROC Charter https://mba.sedp.ph/storage/corporate-governance/charters/BOARD%20RISK%20OVERSIGHT%20COMMITTEE%20CHARTER.pdf • BROC Committee Evaluation Tool Page 28-40 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=28	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	**Link and References:** Composition of Board Risk Oversight Committee Fr. Rafael Sambajon – Chairman/Independent Trustee Fr. Eric Martillano –Independent Trustee Ms. Teresita Galang, CPA- Independent Trustee Ms. Riza Rabe,CPA- SEDP Inc. Internal Audit Officer SEDP MBA Website https://mba.sedp.ph/storage/files/BROC Profile 2025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22 • 2025 Annual Report Board Committee Composition Page 25 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=27	
3.The Chairman of the BROC is not the Chairman of the Board or any other committee.	COMPLIANT	**Link and References:** Fr. Rafael Sambajon- BROC Committee Chairman • SEDP MBA Website- Board of Trustees Committees https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf • SEDP MBA Website -BROC Committee Chairman Profile- https://mba.sedp.ph/storage/files/BROC%20Profile%202025.pdf#page=2	

		• 2025 Annual Report Board of Trustees Profile Page 21 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=23	
4.At least one member of the BROC has relevant thorough knowledge and experience in risk and risk management.	**COMPLIANT**	Ms. Riza Barrameda, CPA, Internal Auditor of SEDP Inc. a member of BROC attended several training regarding Risk Management **Link and References:** • Board of Trustees Committees /Board Risk Oversight Committee https://mba.sedp.ph/corporate-governance https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf • Ms. Riza Barrameda, CPA, Internal Auditor of SEDP Inc. Curriculum Vitae https://mba.sedp.ph/storage/files/BROC%20Profile%202025.pdf#page=5 • Ms. Riza Barrameda, CPA-Certificates of Trainings https://mba.sedp.ph/storage/files/Riza%20Barrameda%20Certificates.PDF	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	**COMPLIANT**	**Link and References:** • **SEDP MBA Website** https://mba.sedp.ph/corporate-governance https://mba.sedp.ph/storage/files/BOT%20Committee%202025.pdf Related Party Transaction Evaluation Page 34-37 • Committee duties and responsibilities https://mba.sedp.ph/storage/corporate-governance/policies/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=34	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	**COMPLIANT**	**Link and References:** **SEDP MBA Website** https://mba.sedp.ph/corporate-governance/#boardCommittees • SEDP MBA Website-Board of Trustees Profile https://mba.sedp.ph/storage/files/RPT%20Comm%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22 • 2025 Annual Report Board Committee Composition Page 24-25 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=26	

Recommendation 3.6			
1. All established committees have Committee Chartersstatinginplainterms their respective purposes,memberships, structures,operations, reportingprocess, resources,andotherrelevant information.	**COMPLIANT**	**Links and Reference:** • SEDP MBA Website -Charters https://mba.sedp.ph/corporate-governance/#policies • Governance Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf • Audit Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf • Finance Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf • HR Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-charter.pdf • BROC Committee Charter https://mba.sedp.ph/storage/corporate-governance/charters/BOARD%20RISK%20OVERSIGHT%20COMMITTEE%20CHARTER.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	**COMPLIANT**	The Performance Evaluation of each Committees were based from the their Committee functions **Links and Reference:** Board Performance Evaluation Policy Page 16-40 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=16	
3. Committee Charters were fully disclosed on the company's website.	**COMPLIANT**	**Links and Reference:** SEDP MBA Website -Charters https://mba.sedp.ph/corporate-governance/#policies	

Principle 4: 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.			
Recommendation 4.1			
1. The Directors attends and actively participates in all meetings of the Board, Committeesand shareholdersinpersonor through tele or videoconferencing conducted in accordance with the rules andregulationsofthe Commission.	**COMPLIANT**	**Links and Reference:** • SEDP MBA 2025 Annual Report – Board Meetings Page 26, Committee Meetings Page 35-39 Board Meetings and Annual General Assembly Page 26 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=28 Committee Meetings https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=37	
2. The director's review meeting materials for all Board and Committee meetings.	**COMPLIANT**		
3.The directorsaskthe necessary questionsor seek clarificationsand explanationsduringthe Boardand Committee meetings.	**COMPLIANT**	**Links and Reference:** • Board of Trustees Meeting April 7, 2025 Business Arising line 122-246 Page 2-4 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=2 • Board of Trustees Meeting August 19, 2025 Business Arising Line 96-265 Page 2-4 https://mba.sedp.ph/storage/files/BOT%20Meeting%20Minutes%20Aug.%2019,2025.pdf#page=2	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs)andpublicly listedcompaniesto 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**	**Links and Reference:** • CORPORATE GOVERNANCE MANUAL PART II – GOVERNANCE STRUCTURE Multiple Board Seats Page 8 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=8 • SEDP MBA Website- Board of Trustees Profile https://mba.sedp.ph/storage/files/BOT%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	

Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	**COMPLIANT**	• 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	Almost all the member of the Board of Trustees does not have any Directorship to any PLC
Principle 5: The Board should endeavor to exercise an objective and independent judgment on a corporate affairs.			
Recommendation 5.1			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	**COMPLIANT**	**Links and Reference:** • BOT Election Guidelines II-Qualifications, Remuneration & Term of Office #4 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf Ms. Teresita Galang, CPA, DBA, LPT Fr. Rex Paul Arjona Fr. Rafael Sambajon Fr. Eric Martillano • SEDP MBA Website- BOT Profile https://mba.sedp.ph/storage/files/Independent%20Trustee%20Profile.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years. 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. For the 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.	**COMPLIANT**	**Links and Reference:** • BOT Election Guidelines II Qualifications, Remunerations & Term of Office # 3 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf SEDP MBA Website https://mba.sedp.ph/storage/files/BOT%20Term.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	

Principle 5: The Board should endeavor to exercise an objective and independent judgment on a corporate affairs.			
Recommendation 5.1			
1.Theindependentdirectorspossessall the necessaryqualificationsandnoneof the disqualificationstoholdtheposition.	**COMPLIANT**	**Links and Reference:** • BOT Election Guidelines II-Qualifications, Remuneration & Term of Office #4 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf Ms. Teresita Galang, CPA, DBA, LPT Fr. Rex Paul Arjona Fr. Rafael Sambajon Fr. Eric Martillano • SEDP MBA Website- BOT Profile https://mba.sedp.ph/storage/files/Independent%20Trustee%20Profile.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years. 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.For the 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.	**COMPLIANT**	**Links and Reference:** • BOT Election Guidelines II Qualifications, Remunerations & Term of Office # 3 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf SEDP MBA Website https://mba.sedp.ph/storage/files/BOT%20Term.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	**COMPLIANT**	**Links and Reference:** • BOT Election Guidelines II Qualifications, Remunerations & Term of Office # 3 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seeks shareholders approval during the annual shareholders' meeting.	**COMPLIANT**		SEDP MBA follows the term limit of the independent trustee of nine years. No Independent Trustees had served for more than nine years.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	**COMPLIANT**	The President is the Chairman of the Board of Trustees while the General Manager is the CEO. **Links and Reference:** SEDP MBA Website - Board of Trustees and Management and Staff https://mba.sedp.ph/who-we-are/our-institution	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	**COMPLIANT**	Roles and Responsibilities of the General Manager and President **Links and Reference:** • SEDP MBA BYLAWS_May 2, 2023 page 14 Function & Powers of Officers Section 1.President https://mba.sedp.ph/storage/01JVBF06C8GBE607JK51Y01QT2.pdf#page=14 • Job Description of General Manager https://mba.sedp.ph/storage/files/General%20Manager%20Job%20Description.pdf	
Recommendation 5.5			
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.	**COMPLIANT**	The President is the Chairman of the Board of Trustees while the General Manager is the CEO. **Links and Reference:** SEDP MBA Website - Board of Trustees and Management and Staff https://mba.sedp.ph/who-we-are/our-institution	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.

Recommendation 5.6			
1. Directors with a material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	**COMPLIANT**	The members of the Board of Trustees do not have material interest in any transactions in compliance to the policy on related party transactions. Link and Reference: https://mba.sedp.ph/storage/corporate-governance/manuals/CORPORATE%20GOVERNANCE%20MANUAL.pdf	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate 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.	**COMPLIANT**	**Link and References:** The Meeting was chaired by Fr. Eric Martillano, Audit Committee Chairman-Independent Director • External Audit Exit Meeting- August 12, 2025 **https://mba.sedp.ph/storage/files/External%20Audit%20Exit%20Meeting%20August%2012,2025.pdf** **Executive Sessions** was conducted 2 times for the year 2025 during the following BOT Meeting and was Chaired by President Ms. Teresita Galang, CPA, DBA which is an Independent Director • Minutes during the Board of Trustees Meeting April 7, 2025 GENERAL MANAGER EVALUATION AND SALARY line 949-964. Page 14 https://mba.sedp.ph/storage/files/BOT%20Minutes%20April%207,%202025.pdf#page=14 • Minutes during the BOT Meeting last August 19, 2025 GENERAL MANAGER EVALUATION AND SALARY Line 1239 Page 23 https://mba.sedp.ph/storage/files/BOT%20Minutes%20August%2019,%202025.pdf#page=23	
2. The meetings are chaired by the lead of the independent director.	**COMPLIANT**		

Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	**COMPLIANT**	**Links and Reference:** The Board of Trustees conducted Performance Evaluation at the end of 2025 for the period of January 2025-December 2025 (See attached Consolidated BOT Evaluation Result including Evaluation of Chairman, BOT Members and Committee Evaluation) • 2025 Board Evaluation Result https://mba.sedp.ph/storage/corporate-governance/board-of-trustees-evaluation-result/BOARD%20EVALUATION%20RESULT%202025.pdf	
2. The performance of the Chairman is assessed annually by the Board	**COMPLIANT**		
3. The performance of the individual member of the Board is assessed annually by the Board.	**COMPLIANT**		
4. The performance of each committee Is assessed annually by the Board.	**COMPLIANT**		
5. Every three years, the assessments are supported by an external facilitator.	**COMPLIANT**	The assessment supported by an external Facilitator will be conducted for the year 2026 **Links and Reference:** • Board Performance Evaluation Policy Page 4 Individual Board Evaluation https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=4	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria, and processes to determine the performance of the Board, individual directors, and committees.	**COMPLIANT**	The Board of Trustees conducted Performance Evaluation at the end of 2024 for the period of January 2025-December 2025 (See attached Consolidated BOT Evaluation Result including Evaluation of Chairman, BOT Members and Committee Evaluation) **Links and Reference:** • **SEDP MBA Board Performance Evaluation Policy** https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf • 2025 Board Evaluation Result https://mba.sedp.ph/storage/corporate-governance/board-of-trustees-evaluation-result/BOARD%20EVALUATION%20RESULT%202025.pdf	
2. The system allows for a feedback mechanism from the shareholders	**COMPLIANT**	**Links and Reference:** Stakeholders can access our website, Facebook page, and contact number at any time to provide feedback. The contact number of SEDP MBA is also displayed on the Facebook page and website. SEDP MBA Website https://mba.sedp.ph/contact-us SEDP MBA Facebook Page https://www.facebook.com/sedpmbamicroinsurance SEDP MBA Contact Number 0917 187 1373	

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			
1. Board adopts a Code of Business Conduct and Ethics, which provides standards for professional and ethical behavior, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings of the company.	**COMPLIANT**	**Links and Reference:** • SEDP MBA Code of Discipline https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of- Discipline.pdf	
2. The Code is properly disseminated to the Board, senior management, and employees.	**COMPLIANT**	The Handbook for Code of Discipline was distributed to the Board of Trustees, Management, and Employees. This Code of Discipline is mandatory discussed to the new employee and Board of Trustees upon entry as part of the orientation on policies and guidelines of SEDP MBA. **Links and Reference:** • SEDP MBA Code of Discipline https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of- Discipline.pdf	
3. The Code is disclosed and made available to the public through the company website.	**COMPLIANT**	**Links and Reference:** • SEDP MBA Code of Discipline https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of- Discipline.pdf	
Recommendation 7.2			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	**COMPLIANT**	The conduct of Semestral Staff Performance evaluation is the proof of implementation and monitoring of staff compliance with the Code. **Links and Reference:** Employees Performance Evaluation Policy https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf	
2. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	**COMPLIANT**		

DISCLOSURE AND TRANSPARENCY			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.expectations.			
Recommendation 8.1			
1. The Board establishes 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**	**Links and Reference:** Annual Audited Financial Statements and Annual Report were disclosed at the website and readily available for viewing by our stakeholders. https://mba.sedp.ph/corporate-governance/#disclosure • KITA ang Simbag Radio Program in Radio Veritas Legazpi https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=85 • SEDP MBA Facebook Page https://www.facebook.com/sedpmbamicroinsurance •SEDP MBA Website https://mba.sedp.ph/ Monthly Claims Update At- A- Glance (Monthly Financial and Operations Update) • 2025 Annual Report Our Status Page 4-16 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=6 • 2025 Audited Financial Statement- Page 94 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=97	
Recommendation 8.2			
1. Board fully discloses all relevant and material information on individual board membersto evaluatetheirexperienceand qualifications, and assess any potential conflicts of interest that might affect their judgment.	**COMPLIANT**	**Links and Reference:** • SEDP MBA Website- Board of Trustees Profile https://mba.sedp.ph/storage/files/BOT%20Profile%202025.pdf • 2025 Annual Report Board of Trustees Profile Page 20-23 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=22	
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**	**Links and Reference:** General Manager Profile https://mba.sedp.ph/storage/files/CV%20ELLA%20GONZALO.pdf	

Recommendation 8.3			
1.Companyprovidesacleardisclosureofits policies and procedure for setting Board remuneration, includingthelevelandmixof the same in the Annual Corporate GovernanceReportconsistent withASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	**COMPLIANT**	**Links and Reference:** • SEDPMBA Amended By Laws states that the memberof the Board of Trustees shall not receive any salary due to their voluntary service to the association. Article II – Section 8 Page 8 https://mba.sedp.ph/storage/01JVBF06C8GBE607JK51Y01QT2.pdf#page=8	
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 the ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	**COMPLIANT**	**Links and Reference:** SEDP MBA Salary Scale/Structure https://mba.sedp.ph/storage/files/SEDP%20MBA%20Salary%20Structure.pdf 2025 Annual Report • Remuneration Policy for the Board and General Manager Page 40 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=42 • Employee Management Page 42 **https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=44** • HR Manual Page 47-48 – Retirement Policy https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-HR-Manual.pdf#page=47	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	**COMPLIANT**		
Recommendation 8.4			
1.Company disclosesits policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	**COMPLIANT**	**Links and Reference:** • 2025 Annual Report Related Party Transaction Policy Page 84 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=86 • SEDP MBA Website Corporate Governance Manual page 10 SEDP-MBA-Corporate-Governance-Manual.pdf	
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 a majority vote of the stockholders in the annual stockholders' meeting during the year.	**COMPLIANT**	**Links and Reference:** 2025 Annual Report Note 20 Page 140 (Audited FS) https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=140	

Recommendation 8.5			
1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	**Links and Reference:** • SEDP MBA Corporate Governance Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA- Corporate-Governance-Manual.pdf	
2. The Company's MCG is posted on its company website	COMPLIANT	**Link and References:** SEDP MBA Website -Manuals https://mba.sedp.ph/corporate-governance https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA- Corporate-Governance-Manual.pdf	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and effective oversight of the same to strengthen the external auditor's independence and enhance audit quality			
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	**Links and Reference:** • Audit Committee Charter Responsibility #1 Page 3 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3 • 2025 AGMM Minutes May 31, 2025 Appointment of External Auditor line number 1595-1622 page 30 • AGMM RESOLUTION NO. 07 – 2025. APPROVAL OF THE 2025 EXTERNAL AUDITOR https://mba.sedp.ph/storage/corporate-governance/minutes-of-annual-general-meeting/2025%20AGMM%20MINUTES.pdf	
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	100% • 2025 AGMM Minutes May 31, 2025 Appointment of External Auditor line number 1595-1622 page 30 • AGMM RESOLUTION NO. 07 – 2025. APPROVAL OF THE 2025 EXTERNAL AUDITOR https://mba.sedp.ph/storage/corporate-governance/minutes-of-annual-general-meeting/2025%20AGMM%20MINUTES.pdf	

3. For the 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**	The External Auditor for the year 2025 was the same External Auditor approved by the Stakeholders for the year 2023 & 2024 **Links and Reference:** • 2025 AGMM Minutes May 31, 2025 Appointment of External Auditor line number 1595-1622 page 30 • AGMM RESOLUTION NO. 07 – 2025. APPROVAL OF THE 2025 EXTERNAL AUDITOR https://mba.sedp.ph/storage/corporate-governance/minutes-of-annual-general-meeting/2025%20AGMM%20MINUTES.pdf	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	**COMPLIANT**	**Links and Reference:** • SEDP MBA Audit Committee Charter2 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP- MBA-Audit-Committee-Charter-.pdf	
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**		
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**	No transaction for Non-Audit Service rendered by the External Auditor **Links and Reference:** https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=93	
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 impairing the external auditor's objectivity	**COMPLIANT**		Policies and guidelines for this non-audit services will be included in the on-going review and amendment of Board Committee charters

Principle 10: 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**	The Board together with the management and employees commits to promote and ensure full disclosure and transparency. **Links and Reference:** **Corporate Governance Manual** PART V – DISCLOSURE AND TRANSPARENCY **Page 13-14** https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	**COMPLIANT**		
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**	**Links and Reference:** • SEDPMBAWebsite https://mba.sedp.ph • SEDP MBA Facebook Page https://www.facebook.com/sedpmbamicroinsurance • 2025 Annual Report SEDP MBA Media Briefing Page 83 KITA ang Simbag Radio Program in Radio Veritas Legazpi https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=85	

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK			
Principle 12: To ensure integrity, transparency, and proper governance in the conduct of its affairs, the company should control the system and enterprise risk management framework, a strong and effective internal control system, and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	**COMPLIANT**	The Audit Committee shall have the following functions: 1. The Audit Committee or at least its Chairman should meet with the management quarterly to review the SEDP MBA financial statements and effectiveness of the internal control system. 2. The Audit Committee should meet periodically with management and the internal auditors in separate executive sessions to discuss any matters that the Audit Committee believes should be discussed privately. 3. Perform oversight financial management functions specifically in the areas of operational, legal and other risks of SEDP MBA. 4. Review the quarterly, semi-annual and annual financial statements before submission to the Board. 5. Monitor and evaluate the adequacy and effectiveness of the internal control system. 6. Assess compliance with existing policies and procedures and applicable laws, rules and regulations. 7. Review internal audit reports where applicable and monitor the status of there commendations and their implementation. 8. Review and approve the annual internal audit plans and programs and ensure its accomplishment. **Link and references:** https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=4	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	**COMPLIANT**	SEDP MBA has an identified priority risks based on the risk assessment. With that the management has also identified risk treatment objectives with verifiable indicators to mitigate the risks identified. **Link and References:** SEDP MBA ERM Action Plan https://mba.sedp.ph/storage/files/SEDP_MBA_ERM_2023.pdf	The Board Risk Oversight Committee will periodically review this framework over time.

Recommendation 12.2			
1.Company has in placean independent internal audit function that provides an independent and objective assurance, and consultingservices designedtoadd value andimprovethecompany's operations.	**COMPLIANT**	The independent internal auditorof SEDPMBAwas outsourced from the partner MFI. **Link and References:** MOAwith SEDP-SimbagsaPag-AsensoInc. SEDP- SimbagsaPag-AsensoInc. Responsibility No. 14 & 15 Page 5 https://mba.sedp.ph/storage/files/sedp%20&%20mba%20moa%20(1).pdf#page=5	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE)appointedbytheBoard	**COMPLIANT**	The independent internal auditor ofSEDPMBAwas outsourced from the partner MFI. **Link and References:** MOAwith SEDP-SimbagsaPag-AsensoInc. SEDP- SimbagsaPag-AsensoInc. Responsibility No. 14 & 15 Page 5 https://mba.sedp.ph/storage/files/sedp%20&%20mba%20moa%20(1).pdf#page=5 Ms. Riza Rabe, CPA, Simbag MFI Internal Auditor	
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**		
3.In case ofa fullyoutsourcedinternalaudit activity, a qualified independent executive or senior management personnel is assignedthe responsibilityformanagingthe fully outsourced internal audit activity.	**COMPLIANT**		
Recommendation 12.4			
1. The company has a separate risk management function to identify,assess and monitor key risk exposures.	**COMPLIANT**	Risk management is the responsibilityof the Compliance officer of the Anti-Fraud plan. Ms. Ella Gonzalo is the Chief Risk Officer **Link and references:** Anti-Fraud Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf Ella Gonzalo Profile https://mba.sedp.ph/storage/files/CV%20ELLA%20GONZALO.pdf	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a ChiefRisk Officer (CRO),who is theultimate championofEnterprise RiskManagement (ERM).	**COMPLIANT**		
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	**COMPLIANT**		

CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS			
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 disclosed in the Manual on Corporate Governance.	**COMPLIANT**	**Link and Reference:** **Right of Members** SEDP MBA Corporate Governance Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=8	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	**COMPLIANT**	**Link and Reference:** **SEDP MBA Website -Manuals** https://mba.sedp.ph/corporate-governance **Right of Members** SEDP MBA Corporate Governance Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=8	
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**	The Notice of the meeting, contains Agenda for the 2025 Annual General Membership Meeting, List of Nominees for BOT Election and Proxy documents was uploaded to the Website last April 8, 2025, 53 days before the AGM. **Links and Reference:** • SEDP MBA Website Notice of Notice of Annual General Meeting https://mba.sedp.ph/storage/corporate-governance/notice-of-annual-general-meeting/Announcement%20of%20AGM%202025.pdf Disclosure- Notice of Annual General Meeting https://mba.sedp.ph/corporate-governance https://mba.sedp.ph/storage/files/Date%20of%20Posting%20of%20Notice%20of%202025%20AGM.pdf	

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**	Board Election Result during the 2025 Annual General Membership Meeting was uploaded to the Website last June 2, 2025 after the conduct of the meeting. Election result was tabulated by Mr. Joel Apuyan, Simbag MFI Operations Officer and Ms. Riza Rabe, CPA Simbag MFI Internal Auditor **Links and Reference:** • SEDP MBA Website Board Election Result https://mba.sedp.ph/storage/corporate-governance/election-result/2025%20BOT%20Election%20Result.pdf • Proof of Posting of Board Election Result https://mba.sedp.ph/storage/files/Date%20of%20Posting%20of%202025%20Board%20Election%20Result.pdf	
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**	The Minutes of the 2025 Annual General Membership Meeting was uploaded to the Website last June 2, 2025, one working day after the conduct of the meeting **Links and Reference:** • SEDP MBA Website- Minutes of Annual General Meeting https://mba.sedp.ph/storage/corporate-governance/minutes-of-annual-general-meeting/2025%20AGMM%20MINUTES.pdf • Proof of Posting of AGM Minutes https://mba.sedp.ph/storage/files/Date%20of%20Posting%20AGM%20Minutes.pdf https://mba.sedp.ph/corporate-governance#disclosures	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	**COMPLIANT**	**Links and Reference:** **Corporate Governance Manual Page 13** Feedback And Grievance Policy For Stakeholders https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13	To formulate the alternative dispute mechanism for inclusion in the Corporate Governance Manual
. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	**COMPLIANT**	**Links and Reference:** **Corporate Governance Manual Page 13** Feedback And Grievance Policy For Stakeholders https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13	

<table>
<tr><th colspan="4">DUTIES TO STAKEHOLDERS</th></tr>
<tr><td colspan="4">Principle 14: The right of the stakeholders established by law, by contractual relations, and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</td></tr>
<tr><td colspan="4">Recommendation 14.1</td></tr>
<tr><td>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.</td><td>COMPLIANT</td><td rowspan="3">Links and Reference:
• Corporate Governance Manual Page 10-13
https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=10
To protect SEDP MBA stakeholders the association formulated the anti-fraud plan.
Link and references:
• Anti-Fraud Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf</td><td rowspan="3"></td></tr>
<tr><td>Recommendation 14.2</td><td></td></tr>
<tr><td>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</td><td></td></tr>
<tr><td colspan="4">Recommendation 14.3</td></tr>
<tr><td>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.</td><td>COMPLIANT</td><td>Links and Reference:
Policy on how to communicate and protection to our stakeholders can be refer to our Whistleblower protection policy.
Whistleblower Protection Policy
https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf
The stakeholders are welcome to air their redress through our website.
SEDP MBA Website (Contact us)
https://mba.sedp.ph/contact-us</td><td></td></tr>
</table>

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs, and procedures that encourage employees to actively participate in the realization of the company's goals and its governance.	**COMPLIANT**	The SEDP MBA Management and employees are responsible for formulating the AnnualOperations Plan that will be approved by the Board of Trustees. **Link and References:** 2025 Annual Operations Plan https://mba.sedp.ph/storage/files/2025-2027%20STRATEGIC%20PLAN%20BSC%20(1)	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	**COMPLIANT**	The Board of Trustees approved the Anti-Fraud Plan **Link and References:** Anti-Fraud Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf	For inclusion in the Code of Discipline policy
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	**COMPLIANT**	The Anti-Fraud Manual is discussed during the orientation of new staff for their information and guidance.	
Recommendation 15.3			
1. Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	**COMPLIANT**	SEDP MBA established Whistleblower protection policy approved by the Board **Link and References:** Whistleblower Protection Policy https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf	
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**		
3. Board supervises and ensures the enforcement of the whistleblowing framework	**COMPLIANT**		

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.			
Recommendation 16.1			
3. 1. Company recognizes and places importance on the interdependence between business and society, and promotesamutuallybeneficial relationship that allows the company to grow its business while contributing to the advancement of the society where it operates.	**COMPLIANT**	As Part of the Corporate Social Responsibility, SEDP MBA collaborated and established Partnership with the SEDP MFI, SEDP MPC, Bicol Consortium for Development Initiatives (BCDI) Inc. and the Social Action Center of the Diocese of Legazpi by promoting and facilitating SSS Enrollment/Membership, partnership with local Funeral parlors for its Services, provision of health care services to the community within the area of coverage and conducted advocacy programs to the members. **Links and Reference:** Corporate Social Responsibility • SEDP MBA 2025 Annual Report Value added Services " Social Protection Program" Pages 14-16 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=16 • Corporate Social Responsibility Pages 58-72 https://mba.sedp.ph/storage/corporate-governance/annual-report/2025%20Annual%20Report.pdf#page=60 • SEDP MBA Website https://mba.sedp.ph/who-we-are/corporate-social-responsibility	

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 LEGAZPI on the JUN 1 1 2026 June, 2026.

TERESITA Q. GALANG, CPA, DBA
CHAIRMAN OF THE BOARD
Signature over printed name

ELLA S. GONZALO
CEO/ GENERAL MANAGER
COMPLIANCE OFFICER
Signature over printed name

NICA B. MADRONA
CORPORATE SECRETARY
Signature over printed name

JOSIE B. BELEN
CORPORATE GOVERNANCE
ALTERNATE COMPLIANCE OFFICER
Signature over printed name

FR. REX PAUL B. ARJONA
INDEPENDENT DIRECTOR
Signature over printed name

FR. ERIC B. MARTILLANO
INDEPENDENT DIRECTOR
Signature over printed name

SUBSCRIBED AND SWORN to before me this JUN 1 1 2026 of June 2026, by the following who are all Personal whom I have identified through competent evidence of Identity and their respective identification document as follows:

	NAME	ID NO.	DATE/PLACE ISSUED
1.	TERESITA Q. GALANG, CPA, DBA	01399903	01/06/2022- Legazpi City
2.	ELLA S. GONZALO	923136543	12/14/2020- Legazpi City
3.	NICA B. MADRONA	01-07-2020	01/03/2022- Legazpi City
4.	JOSIE B. BELEN	11030218	02/03/2022- Legazpi City
5.	FR. ERIC MARTILLANO	E02-93-024923	Legazpi City
6.	FR. REX PAUL ARJONA	11039605	02/14/2022- Legazpi City

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Page No. 15 ;
Book No. ___ ;
Series of 2026

ARMI L. BALLARAN - RABELAS
NOTARY PUBLIC
NOTARIAL COMMISSION EXPIRES DEC. 31, 2027
PTR NO. 0860094/LEGAZPI CITY/JAN. 5, 2026
IBP NO. 582036/ALBAY/JAN. 1, 2026
ROLL OF ATTORNEY NO. 56284
MCLE COMPLIANCE NO. VIII-0041382/APR. 14, 2028