

**ANNUAL CORPORATE GOVERNANCE REPORT  
OF**

**SIMBAG SA EMERHENSYA ASIN DAGDAD PASEGURO MUTUAL BENEFIT ASSOCIATION, INC.  
(SEDP MBA)**

1. For the fiscal year ended **2020**
2. Certificate Authority Number **2019-12-R**
3. **LEGAZPI CITY, ALBAY**  
Province, Country or other jurisdiction of incorporation or organization
4. **3/F THE CHANCERY, CATHEDRAL COMP. ALBAY DISTRICT, LEGAZPI CITY**      **4500**  
Address of principal office      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.

## 2020 ANNUAL CORPORATE GOVERNANCE REPORT

	Compliant/ Non-Compliant	Additional Information	Explanation
<b>THE BOARD GOVERNANCE RESPONSIBILITIES</b>			
<b>Principle 1.</b> 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.			
<b>Recommendation 1.1</b>			
1. Board composed of directors with collective working knowledge, experience, or expertise that is relevant to the company's industry/sector.	<b>COMPLIANT</b>	<b>Link and References:</b> The SEDP MBA Board of Trustees are equipped with collective working knowledge, experience, and has appropriate mix of competence and expertise.  Please refer to their respective profile: <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a> <a href="https://mba.sedp.ph/staff/REV-FR-REX-PAUL-B-ARJONA">https://mba.sedp.ph/staff/REV-FR-REX-PAUL-B-ARJONA</a> <a href="https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY">https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY</a> <a href="https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR">https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR</a> <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a> <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a> <a href="https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA">https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA</a>	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>		
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	<b>COMPLIANT</b>		

<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	The Board of Trustees of SEDP MBA is consists of seven (7) members who are practicingCatholic namely the following: three (3) trustees shall be elected by the active members withexisting loans funded by the Simbag sa Pag-Asenso Inc.; two (2) independent trustees, to belected by the active members and two (2) members, one (1) of whom is representativeof the SEDP- Simbag sa Pag-Asenso, Inc. (A Microfinance NGO) and one	

		<p>(1) representative from Social Action Center (SAC) Diocese of Legazpi.</p> <p><b>Link and References:</b></p> <p>SEDP MBA Board of Trustees Composition</p> <p><a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
<b>Recommendation 1.3</b>			
<p>1. Company provides in its Board Charter or Manual on Corporate Governance a policy on the training of directors.</p>	<b>COMPLIANT</b>	<p>The Governance Committee provides for the board's effectiveness and continuing development.</p> <p>The specific responsibilities of the Governance Committee include:</p> <ul style="list-style-type: none"> <li>• Recommending to the board policies and processes designed to provide for effective and efficient governance, including but not limited to policies for: <ul style="list-style-type: none"> <li>o Evaluation of the board and the chairperson.</li> <li>o Election and re-election of board members.</li> <li>o Board orientation and education.</li> <li>o Succession planning for the board chair and other board members.</li> </ul> </li> </ul> <p><b>Link and References:</b></p> <p>Governance Committee Charter</p> <p><a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a></p>	
<p>2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.</p>	<b>COMPLIANT</b>	<p><b>Orientation program for first time Directors</b></p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• Governance Committee Charter Page 2 Responsibilities of the Committee</li> </ul> <p><a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a></p>	
<p>3. Company has relevant annual continuing training for all directors</p>	<b>COMPLIANT</b>	<p>Training Attended for the year 2020</p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA 2020 Annual Report Page 20</li> </ul> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a></p>	

Recommendation 1.4			
1. Board has a policy on board diversity	<b>COMPLIANT</b>	<p>The SEDP MBA Board of Trustee is composed of 7 members of 3 Female and 4 Male</p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>•SEDP MBA Website</li> </ul> <p><a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	<b>COMPLIANT</b>	<p>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.</p> <p><b>Link and References:</b></p> <p><a href="#">Job Description of Management Support Staff</a></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer	<b>COMPLIANT</b>	<p>The acting Corporate Secretary is Ms. Nica Madrona, Management Support Staff of SEDP MBA and not functioning as Compliance officer.</p> <p><b>Link and references:</b></p> <p><a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
3. Corporate Secretary is not a member of the Board of Directors.	<b>COMPLIANT</b>	<p>Corporate Secretary is not a member of the Board of Trustees</p> <p>Link and References:</p> <p><a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	<b>COMPLIANT</b>	<p>The SEDP MBA Corporate Secretary attended the "Briefer on Revised Code of Corporate Governance for IC Regulated Companies and Annual Corporate Governance Report" conducted by the RIMANSi last August 10, 2020 via zoom video conferencing.</p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>•SEDP MBA 2020 Annual Report Page 19</li> </ul> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a></p>	
Recommendation 1.6			

1. Board is assisted by a Compliance Officer	<b>COMPLIANT</b>	<p>Since the Compliance officers are part of the management, they are the one responsible in assisting the Board of Trustees in the compliance to the government regulators.</p> <p><b>Link and References:</b></p> <p><a href="#">Job Description of General Manager and Admin &amp; Finance Officer</a></p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	<b>COMPLIANT</b>	<p>The Compliance and Alternate Compliance Officers of SEDP MBA are the following:</p> <ol style="list-style-type: none"> <li>1. Roberto Dalit, General Manager</li> <li>2. Josie Belen, Admin &amp; Finance Officer.</li> </ol> <p><b>Link &amp; References:</b></p> <p>Secretary Certificate: Compliance Officer and Alternate Compliance Officer</p> <p><a href="#">Compliance Officer Secretary Certificate</a></p>	<p>The Management designation in Mutual Benefit Association is usually General Manager unlike in the Corporate setting it is the President wherein the President in our setting is the Chairman of the Board.</p>

3. Compliance Officer is not a member of the board	<b>COMPLIANT</b>	<p>SEDP MBA Compliance officers are part of the management team and not of the Board as stated in their designation.</p> <p><b>Link &amp; References:</b></p> <p><a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
4. Compliance Officer attends training/s on corporate governance annually.	<b>COMPLIANT</b>	<p>The SEDP MBA Compliance Officers attended the "Briefer on Revised Code of Corporate Governance for IC Regulated Companies and Annual Corporate Governance Report" conducted by the RIMANSI last August 10, 2020</p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Annual Report Page 18</li> </ul> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a></p>	

<p><b>Principle 2.</b> The fiduciary roles, responsibilities, and accountabilities of the Board as provided under the law, the company's articles and by-law, and other legal pronouncements and guidelines should be made known to all directors as well as to stockholders and other stakeholders.</p>			
<p><b>Recommendation 2.1</b></p>			

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p><b>COMPLIANT</b></p>	<p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>•SEDP MBA Board Evaluation Tool</li> <li>•<a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf</a></li> </ul> <p>BOT Meeting Minutes – December 2020  <a href="#">BOT Meeting December 18, 2020 .pdf</a></p>	
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<p><b>Recommendation 2.2</b></p>			
<p>1. Board oversees the development, review, and approval of the company's business objectives and strategy.</p>	<p><b>COMPLIANT</b></p>	<p>Every first quarter of the year the Board of Trustees reviewed and approved the Annual Plan/Business Objectives and strategy of SEDP MBA prepared by the management.</p> <p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• Minutes of the Finance Committee Meeting Resolution # 3 - Approval of Annual Plan and Financial Plan  <a href="#">FIN COM Feb 26.pdf</a></li> </ul>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>The Board of trustees ensures the implementation of the set business objectives through the quarterly assessment presented by the management.</p> <p><b>Links and References:</b></p> <ul style="list-style-type: none"> <li>• Summary of Board of Trustees Resolution # 4 Acceptance of Operations and Financial Report  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf</a></li> </ul>	
<p><b>Recommendation 2.3</b></p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p><b>COMPLIANT</b></p>	<p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Annual Report  <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a></li> </ul>	<p><b>Link and References:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Annual Report  <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a></li> </ul>
<p><b>Recommendation 2.4</b></p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.</p>	<p><b>COMPLIANT</b></p>	<p>The succession planning of SEDP MBA Board of Trustees is clearly stated in the Governance Committee Charter as part of the responsibility of the Committee members.</p>	<p>The Governance Committee Chairman has the plan to review the committee charter to update some required policies on</p>

2. Board adopts a policy on the retirement of directors and key officers.	<b>COMPLIANT</b>	<b>Link and References:</b> Governance Committee Charter <a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a>	corporate governance.  This includes the clear policy of succession planning that might be adopted from the SEDP-Simbag sa Pag-Asenso Inc. as part of the Mutually Supporting Institution (MSI).
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<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	<b>COMPLIANT</b>	<b>Link and references:</b> Performance Evaluation Tool of the Board <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf</a>	
2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	<b>COMPLIANT</b>	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.	
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	<b>COMPLIANT</b>	<b>Link and References:</b> SEDP MBA By Laws Article II Section 7 <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf</a>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>COMPLIANT</b>	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  <b>Link and References:</b> <a href="https://mba.sedp.ph/files/Nomination%20Committee.pdf">https://mba.sedp.ph/files/Nomination%20Committee.pdf</a>  <a href="https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf">https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf</a>  <b>Link and References:</b>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>		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.	<b>COMPLIANT</b>		

4. Board nomination and election policy include how the board reviews nominated candidates.	COMPLIANT	<a href="https://mba.sedp.ph/files/Nomination%20Committee.pdf">https://mba.sedp.ph/files/Nomination%20Committee.pdf</a>	
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		
<b>Recommendation 2.7</b>			
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	<b>Link and References:</b> <ul style="list-style-type: none"> <li>• SEDP MBA Corporate Governance Manual Page 11 RELATED PARTY TRANSACTIONS (RPT) BY THE TRUSTEES AND KEY EXECUTIVES</li> </ul> <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
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.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.	COMPLIANT	<b>Link and references:</b> Summary of Board of Trustees Resolution No. 5 Minutes of the Meeting (Approval of Loan)  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/2020%20BOARD%20RESOLUTIONS.pdf</a>	
<b>Recommendation 2.8</b>			
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	COMPLIANT	<b>Link and References:</b> <ul style="list-style-type: none"> <li>• SEDP MBA Corporate Governance Manual PART II – GOVERNANCE STRUCTURE Board of Trustees General Duties &amp; Responsibilities Page 5 H. to appoint and dismiss any employee of SEDP MBA whether</li> </ul>	



Compliance Officer, and Chief Audit Executive).		regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
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).	<b>COMPLIANT</b>	Each staff have a have 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)  <b>Link and references:</b> Performance Evaluation Policy <a href="#">PERFORMANCE EVALUATION POLICY.pdf</a>	
<b>Recommendation 2.9</b>			
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.	<b>COMPLIANT</b>	The Management was mandated by the Board of Trustees to have a semestral performance evaluation report.  <b>Link and references:</b>	
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.	<b>COMPLIANT</b>	Performance Evaluation Policy <a href="#">PERFORMANCE EVALUATION POLICY.pdf</a>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>COMPLIANT</b>	<b>Link and References:</b> •SEDP MBA Audit Committee Charter Pag-3-4	
2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members, and	<b>COMPLIANT</b>	<a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a>	

shareholders.			
3. Board approves the Internal Audit Charter	<b>COMPLIANT</b>	<b>Link and References:</b> •SEDP MBA Audit Committee Charter <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a>	
<b>Recommendation 2.11</b>			
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.	<b>COMPLIANT</b>	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.	
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.	<b>COMPLIANT</b>	<b>Link and References:</b> SEDP MBA Audit Committee Charter <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.	<b>COMPLIANT</b>	<b>Link and References:</b> <ul style="list-style-type: none"> <li>Governance Committee Charter  <a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a></li> <li>Audit Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a></li> <li>Finance Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf</a></li> <li>HR Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-____charter.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-____charter.pdf</a></li> </ul>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>COMPLIANT</b>		
3. Board Charter is publicly available and posted on the company's website.	<b>COMPLIANT</b>		
<b>Principle 3:</b> 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	<b>Link and References:</b> <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a>	
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	<b>Link and References:</b> <ul style="list-style-type: none"> <li>• SEDP MBA Audit Committee Charter Page 3-4  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a></li> <li>• SEDP MBA Corporate Governance Manual Part 2 Governance Structure Page 9  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a></li> <li>• SEDP MBA By-Laws Page 6  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf</a></li> </ul>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	COMPLIANT	<b>Link and References:</b> <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.	COMPLIANT	<b>Link and References:</b> Board of Trustees Profile <ul style="list-style-type: none"> <li>• <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a></li> <li>• <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a></li> <li>• <a href="https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY">https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY</a></li> <li>• <a href="https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA">https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA</a></li> </ul>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.	COMPLIANT	<b>Link and References:</b> <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a>	

<b>Recommendation 3.3</b>			
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.	<b>COMPLIANT</b>	<b>Link and References:</b> •SEDP MBA Governance Committee Charter <a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a>	
2. Corporate Governance Committee is composed of at least three members, the majority of whom should be independent directors.	<b>COMPLIANT</b>	<b>Link and References:</b> •Board Committees <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>COMPLIANT</b>	<b>Link and References:</b> •Board Committees <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a> <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a>	
<b>Recommendation 3.4</b>			
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.	<b>COMPLIANT</b>		Functions of the BROC is for finalization by the 3 <sup>rd</sup> Quarter of 2021
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.		<b>Link and References:</b> <ul style="list-style-type: none"> <li>• <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a></li> <li>• <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a></li> <li>• <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a></li> <li>• <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a></li> </ul>	

<p>3. The Chairman of the BROCC is not the Chairman of the Board or any other committee.</p>		<p><b>Link and References:</b>  <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a>  <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a></p>	
<p>4. At least one member of the BROCC has relevant thorough knowledge and experience in risk and risk management.</p>		<p><b>Link and References:</b>  <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a></p>	
<b>Recommendation 3.5</b>			
<p>1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<b>COMPLIANT</b>	<p><b>Link and References:</b>  <a href="https://mba.sedp.ph/corporate-governance/#boardCommittees">https://mba.sedp.ph/corporate-governance/#boardCommittees</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p>	<b>COMPLIANT</b>	<p><b>Link and References:</b>  <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a>  <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a>  <a href="https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR">https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR</a>  <a href="https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA">https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA</a></p>	
<b>Recommendation 3.6</b>			
<p>1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information.</p>	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Website (Policies)  <a href="https://mba.sedp.ph/corporate-governance/#policies">https://mba.sedp.ph/corporate-governance/#policies</a></li> <li>• Finance Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Finance-Committee-Charter.pdf</a></li> <li>• HR Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-charter.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/HR-charter.pdf</a></li> <li>• Audit Committee Charter  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a></li> <li>• Governance Committee Charter  <a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a></li> </ul>	

2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>COMPLIANT</b>	<p>The Governance Committee is responsible of evaluating the performance of the Board and every committee.</p> <p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Governance Committee Charter <a href="https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf">https://mba.sedp.ph/files/SEDP%20MBA%20Governance%20Committee%20Charter%20(1).pdf</a></li> </ul>	
3. Committee Charters were fully disclosed on the company's website.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA Website (Policies) <a href="https://mba.sedp.ph/corporate-governance/#policies">https://mba.sedp.ph/corporate-governance/#policies</a></li> </ul>	
<p><b>Principle 4:</b> 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><b>Recommendation 4.1</b></p>			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele or videoconferencing conducted in accordance with the rules and regulations of the Commission.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• SEDP MBA 2020 Annual Report Page 9 <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a></li> </ul>	
2. The director's review meeting materials for all Board and Committee meetings.	<b>COMPLIANT</b>		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <p>Board of Trustees Meeting Minutes</p> <p><a href="#">BOT Meeting December 18, 2020 .pdf</a></p>	

<b>Recommendation 4.2</b>			
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>• CORPORATE GOVERNANCE MANUAL PART II – GOVERNANCE STRUCTURE Multiple Board Seats Page 7 <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a></li> <li>• SEDP MBA 2020 Annual Report Page 4-7 BOT Profile on Directorship to other PLC <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a></li> </ul>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<b>COMPLIANT</b>		Almost all the member of the Board of Trustees does not have any Directorship to any PLC
<b>Principle 5:</b> The Board should endeavor to exercise an objective and independent judgment on a corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors	<b>COMPLIANT</b>	<b>Links and Reference:</b> <p>SEDP MBA has 3 Independent Trustees out of 7 members of the Board. 43% <a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>• BOT Election Guidelines II-Qualifications, Remuneration &amp; Term of Office #4 <a href="https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf">https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf</a></li> </ul> <p>Independent Trustees Profiles: <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a> <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a> <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a></p>	

<b>Recommendation 5.3</b>			
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.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• BOT Election Guidelines II Qualifications, Remunerations &amp; Term of Office # 3</li> </ul> <p><a href="https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf">https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf</a></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• BOT Election Guidelines II Qualifications, Remunerations &amp; Term of Office # 3</li> </ul> <p><a href="https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf">https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf</a></p>	
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.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>• BOT Election Guidelines II Qualifications, Remunerations &amp; Term of Office # 3</li> </ul> <p><a href="https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf">https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf</a></p>	SEDP MBA follows the term limit of the independent trustee of nine years. No Independent Trustees had served for more than nine years.
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	<b>COMPLIANT</b>	<p>The President is the Chairman of the Board of Trustees while the General Manager is the CEO.</p> <p><b>Links and Reference:</b> SEDP MBA Website (Board of Trustees and Management and Staff) <a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a></p>	



2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>COMPLIANT</b>	Roles and Responsibilities of the General Manager and President  <b>Links and Reference:</b> Amended By Laws_July 25, 2020 Page 9 Function & Powers of Officers <a href="#">SEDP MBA BYLAWS_July 25, 2020 pending for IC Approval.pdf</a>  Job Description of General Manager <a href="#">SEDP MBA Staff_jobdescription_june 2015.pdf</a>	
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<b>Recommendation 5.5</b>			
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.	<b>COMPLIANT</b>	The President is the Chairman of the Board of Trustees while the General Manager is the CEO.  <b>Links and Reference:</b> SEDP MBA Website (Board of Trustees and Management and Staff) <a href="https://mba.sedp.ph/who-we-are/our-institution">https://mba.sedp.ph/who-we-are/our-institution</a>	
<b>Recommendation 5.6</b>			
1. Directors with a material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	<b>COMPLIANT</b>	The members of the Board of Trustees do not have material interest in any transactions in compliance to the policy on related party transactions.	
<b>Recommendation 5.6</b>			
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.	<b>COMPLIANT</b>	<b>Link and References:</b>  Minutes of the meeting of Audit Committee  <a href="#">AUDIT COM.MEETING- June 25.pdf</a>	
2. The meetings are chaired by the lead of the independent director.	<b>COMPLIANT</b>		
<b>Principle 6:</b> The best measure of the Board's effectiveness 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.			
<b>Recommendation 6.1</b>			

1. The Board conducts an annual assessment of its performance as a whole.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <p>The Board of Trustees conducted Performance Evaluation at the end of 2020 for the period of January 2020-December 2020 (See attached accomplished BOT Performance Evaluation Tool)</p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Rex%20Paul%20Arjona.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Rex%20Paul%20Arjona.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Amy%20Bombuhay.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Amy%20Bombuhay.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Andres%20Paclibar.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Andres%20Paclibar.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Teresita%20Galang.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Teresita%20Galang.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jonnathan%20Calleja.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jonnathan%20Calleja.pdf</a></p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Jennifer%20Cascosco.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Jennifer%20Cascosco.pdf</a></p>	
2. The performance of the Chairman is assessed annually by the Board	<b>COMPLIANT</b>		
3. The performance of the individual member of the Board is assessed annually by the Board.	<b>COMPLIANT</b> <b>COMPLIANT</b>		
4. The performance of each committee is assessed annually by the Board.			
5. Every three years, the assessments are supported by an external facilitator.	<b>NON-COMPLIANT</b>		This will be for compliance the following year.
<b>Recommendation 6.2</b>			
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.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <p>The Board of Trustees conducted Performance Evaluation at the end of 2020 for the period of January 2020-December 2020 (See attached accomplished BOT Performance Evaluation Tool)</p>	

		<a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jose%20Victor%20E.%20Lobrigo.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Rex%20Paul%20Arjona.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Rex%20Paul%20Arjona.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Amy%20Bombuhay.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Amy%20Bombuhay.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Andres%20Paclibar.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Andres%20Paclibar.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Teresita%20Galang.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Teresita%20Galang.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jonnathan%20Calleja.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Fr.%20Jonnathan%20Calleja.pdf</a>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Jennifer%20Cascosco.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Jennifer%20Cascosco.pdf</a>	
2. The system allows for a feedback mechanism from the shareholders	<b>COMPLIANT</b>	<b>Links and Reference:</b> The stakeholders can anytime access our website for feedbacking. <a href="https://mba.sedp.ph/contact-us">https://mba.sedp.ph/contact-us</a>	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>• SEDP MBA Code of Discipline</li> </ul> <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf</a>	

2. The Code is properly disseminated to the Board, senior management, and employees.	<b>COMPLIANT</b>	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.	
3. The Code is disclosed and made available to the public through the company website.	<b>COMPLIANT</b>	<b>Links and Reference:</b> • SEDP MBA Code of Discipline <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf</a>	
<b>Recommendation 7.2</b>			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>COMPLIANT</b>	The conduct of Semestral Staff Performance evaluation is the proof of implementation and monitoring of staff compliance with the Code.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>COMPLIANT</b>	<b>Links and Reference:</b> Performance Evaluation Policy <a href="#">PERFORMANCE EVALUATION POLICY.pdf</a>	
<b>DISCLOSURE AND TRANSPARENCY</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b> Annual Audited Financial Statements and Annual Report were disclosed at the website and readily available for viewing by our stakeholders.  <a href="https://mba.sedp.ph/corporate-governance/#disclosure">https://mba.sedp.ph/corporate-governance/#disclosure</a>	
<b>Recommendation 8.2</b>			

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p><b>COMPLIANT</b></p>	<p><b>Links and Reference:</b>  Board of Trustees Profile  <a href="https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO">https://mba.sedp.ph/staff/FR-JOSE-VICTOR-E-LOBRIGO</a>  <a href="https://mba.sedp.ph/staff/REV-FR-REX-PAUL-B-ARJONA">https://mba.sedp.ph/staff/REV-FR-REX-PAUL-B-ARJONA</a>  <a href="https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY">https://mba.sedp.ph/staff/MS-AMY-B-BOMBUHAY</a>  <a href="https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR">https://mba.sedp.ph/staff/MR-ANDRES-M-PACLIBAR</a>  <a href="https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA">https://mba.sedp.ph/staff/DR-TERESITA-Q-GALANG-CPA-DBA</a>  <a href="https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA">https://mba.sedp.ph/staff/FR-JONNATHAN-L-CALLEJA</a>  <a href="https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA">https://mba.sedp.ph/staff/MS-MA-CHRISTINA-CORTEZA</a></p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p><b>Links and Reference:</b>  General Manager Profile  <a href="#">General Manager profile.pdf</a></p>	
<p><b>Recommendation 8.3</b></p>			
<p>1. Company provides a clear disclosure of its policies and 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.</p>	<p><b>COMPLIANT</b></p>	<p><b>Links and Reference:</b>  •SEDP MBA Amended By Laws states that the member of the Board of Trustees shall not receive any salary due to their voluntary service to the association.  Article II – Section 7  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf</a></p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p><b>Links and Reference:</b>  SEDP MBA Salary Scale/Structure  <a href="#">sedpmba_organizationalstructure_job_functions_remuneration-2019.pdf</a></p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p><b>COMPLIANT</b></p>	<p><b>Links and Reference:</b>  HR Manual Page 47-48 – Retirement Policy</p>	

		<a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-HR-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-HR-Manual.pdf</a>	
<b>Recommendation 8.4</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>COMPLIANT</b>	<b>Links and Reference:</b> Related Party Transaction Policy Page 11 – Annual Report <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf</a>	
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b> Note 18 Page 33 Audited Financial Statement Report <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Audited-FS-2020.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Audited-FS-2020.pdf</a>	
<b>Recommendation 8.5</b>			
1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>• SEDP MBA Corporate Governance Manual</li> </ul> <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
2. The Company's MCG is posted on its company website	<b>COMPLIANT</b>	<b>Link and References:</b> <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
<b>Principle 9:</b> 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			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>• Audit Committee Charter Responsibility #1</li> </ul> <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a>  <ul style="list-style-type: none"> <li>• AGM Minutes</li> </ul> XI. APPOINTMENT OF EXTERNAL AUDITOR TO AUDIT THE	

		2019 FINANCIAL STATEMENT <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf</a>	
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.	<b>COMPLIANT</b>	100%	
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.	<b>COMPLIANT</b>	2021 AGM Minutes Page 12-13 <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/2021%20AGM M%20MINUTES.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/2021%20AGM M%20MINUTES.pdf</a>	
<b>Recommendation 9.2</b>			
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b> <ul style="list-style-type: none"> <li>•SEDP MBA Audit Committee Charter <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a></li> </ul>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	<b>COMPLIANT</b>		
<b>Recommendation 9.3</b>			
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.	<b>COMPLIANT</b>	No transaction for Non-Audit Service rendered by the External Auditor	

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
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
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	Management of Pandemic in relation the effects to SEDP MBA Operations  <b>Links and Reference:</b> • Audited Financial Statement Page 39 <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Audited-FS-2020.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Audited-FS-2020.pdf</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT		
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
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	<b>Links and Reference:</b> • SEDP MBA Website <a href="https://mba.sedp.ph">https://mba.sedp.ph</a>	
<b>INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
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	



		<p>Audit Committee believes should be discussed privately.</p> <ol style="list-style-type: none"> <li>3. Perform oversight financial management functions specifically in the areas of operational, legal and other risks of SEDP MBA.</li> <li>4. Review the quarterly, semi-annual and annual financial statements before submission to the Board.</li> <li>5. Monitor and evaluate the adequacy and effectiveness of the internal control system.</li> <li>6. Assess compliance with existing policies and procedures and applicable laws, rules and regulations.</li> <li>7. Review internal audit reports where applicable and monitor the status of their recommendations and their implementation.</li> <li>8. Review and approve the annual internal audit plans and programs and ensure its accomplishment.</li> </ol> <p><b>Link and references:</b>  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf</a></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>COMPLIANT</b>		The comprehensive risk management framework is included in the formulation of the Board Risk Oversight Committee
<b>Recommendation 12.2</b>			
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.	<b>COMPLIANT</b>	<p>The independent internal auditor of SEDP MBA was outsourced from the partner MFI.</p> <p><b>Link and References:</b>  MOA with SEDP-Simbag sa Pag-Asenso Inc.  <a href="#">SEDP INC &amp; SEDP MBA MOA.pdf</a></p>	
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	<b>COMPLIANT</b>	The independent internal auditor of SEDP MBA was outsourced from the partner MFI.	
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.	<b>COMPLIANT</b>	<p><b>Link and References:</b>  MOA with SEDP-Simbag sa Pag-Asenso Inc.</p>	

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	<a href="#">SEDP INC &amp; SEDP MBA MOA.pdf</a>	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Risk management is the responsibility of the Compliance officer of the Anti-Fraud plan.	
<b>Recommendation 12.5</b>			
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	<b>Link and references:</b> Anti-Fraud Manual <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf</a>	
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	COMPLIANT		
<b>CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<b>Link and Reference:</b> • SEDP MBA Corporate Governance Manual <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<b>Link and Reference:</b> • Page 8 of Corporate Governance Manual <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a>	
<b>Recommendation 13.2</b>			

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.	<b>COMPLIANT</b>	The Notice of the meeting and Agenda for the 2020 Annual General Membership Meeting was uploaded to the Website 22 days before the AGM.  <b>Links and Reference:</b>  •SEDP MBA Website Notice of Meeting <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/notice-of-ga_2020.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/notice-of-ga_2020.pdf</a>	
<b>Recommendation 13.3</b>			
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b>  •SEDP MBA Website Minutes of Annual General Meeting <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf</a>	
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.	<b>COMPLIANT</b>	<b>Links and Reference:</b>  •SEDP MBA Website Minutes of Annual General Meeting <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/AGMM-MINUTES.pdf</a>	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	<b>NON-COMPLIANT</b>		To formulate the alternative dispute mechanism for inclusion in the Corporate Governance Manual
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>NON-COMPLIANT</b>		
<b>DUTIES TO STAKEHOLDERS</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <ul style="list-style-type: none"> <li>•Corporate Governance ManualPage 10-13  <a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf</a></li> </ul>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	<p>To protect SEDP MBA stakeholders the association formulated the anti-fraud plan.</p> <p><b>Link and references:</b></p> <p>Anti-Fraud Manual</p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf</a></p>	
<b>Recommendation 14.3</b>			
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.	<b>COMPLIANT</b>	<p><b>Links and Reference:</b></p> <p>Policy on how to communicate and protection to our stakeholders can be refer to our Whistleblower protection policy.</p> <p>Whistleblower Protection Policy</p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf</a></p> <p>The stakeholders are welcome to air their redress through our website.</p> <p>SEDP MBA Website (Contact us)</p> <p><a href="https://mba.sedp.ph/contact-us">https://mba.sedp.ph/contact-us</a></p>	
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			

<p>1. Board establishes policies, programs, and procedures that encourage employees to actively participate in the realization of the company's goals and its governance.</p>	<p><b>COMPLIANT</b></p>	<p>The SEDP MBA Management and employees are responsible for formulating the Annual Operations Plan that will be approved by the Board of Trustees.</p> <p><b>Link and References:</b></p> <p>Annual Operations Plan</p> <p><a href="#">SEDP MBA 2021 Plan.pdf</a></p>	
<p><b>Recommendation 15.2</b></p>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>The Board of Trustees approved the Anti-Fraud Plan</p> <p><b>Link and References:</b></p> <p>Anti-Fraud Manual</p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/Anti%20Fraud%20Manual.pdf</a></p>	<p>For inclusion in the Code of Discipline policy</p>
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p><b>COMPLIANT</b></p>	<p>The Anti-Fraud Manual is discussed during the orientation of new staff for their information and guidance.</p>	
<p><b>Recommendation 15.3</b></p>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>SEDP MBA established Whistleblower protection policy approved by the Board</p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p><b>Link and References:</b></p> <p>Whistleblower Protection Policy</p> <p><a href="https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf">https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf</a></p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework</p>	<p><b>COMPLIANT</b></p>		
<p><b>Principle 16:</b> 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><b>Recommendation 16.1</b></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.

**COMPLIANT**

**Links and Reference:**

Corporate Social Responsibility – Social Protection Program

SEDP MBA 2020 Annual ReportPages 14-16

<https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%202020%20ANNUAL%20REPORT.pdf>

## 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 29<sup>th</sup> of July 2021.

**FR. JOSE VICTOR E. LOBRIGO**  
CHAIRMAN OF THE BOARD  
Signature over printed name

**ROBERTO DALIT**  
CEO/ GENERAL MANAGER  
Signature over printed name

**NICA B. MADRONA**  
CORPORATE SECRETARY  
Signature over printed name

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

**FR. JONNATHAN L. CALLEJA**  
INDEPENDENT DIRECTOR  
Signature over printed name

**TERESITA Q. GALANG, CPA, DBA**  
INDEPENDENT DIRECTOR  
Signature over printed name

SUBSCRIBED AND SWORN to before me this 29<sup>th</sup> of July 2021, 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. FR. JOSE VICTOR E. LOBRIGO	013286680	LEGAZPI CITY, ALBAY/01-05-21
2. ROBERTO DALIT	013647773	LEGAZPI CITY, ALBAY/01-28-21
3. NICA B. MADRONA	01384303	LEGAZPI CITY, ALBAY/07-29-21
4. JOSIE B. BELEN	01328717	LEGAZPI CITY, ALBAY/01-05-21
5. FR. JONNATHAN L. CALLEJA	01328681	LEGAZPI CITY, ALBAY/01-05-21
6. TERESITA Q. GALANG	01346005	LEGAZPI CITY, ALBAY/01-04-21

**ARNIL L. BALLARAN-RABELAS**  
NOTARY PUBLIC

NOTARIAL COMMISSION EXPIRES DECEMBER 31, 2025  
PTR NO. 4641058/LEGAZPI CITY/JAN. 4, 2021  
IBR NO. 146063/ALBAY/JAN. 20, 2021  
ROLL OF ATTORNEY NO. 56284  
MCLE COMPLIANCE NO. VI-0005921/APRIL 14, 2022

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Book No. 9 ;  
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