

ANNUAL CORPORATE GOVERNANCE REPORT OF

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

1. For the fiscal year ended 2023
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 CITY 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.

2023 ANNUAL CORPORATE GOVERNANCE REPORT

	Compliant/ Non-Compliant	Additional Information	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.	COMPLIANT	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Link and References: 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: Website Board of Trustees Profile https://mba.sedp.ph/corporate-governance https://res.cloudinary.com/djv7qdzny/image/upload/v1715644726/BOT_Profile_fb45bc2597.pdf?updated_at=2024-05-13T23:58:47.295Z 2023 Annual Report Board of Trustees Profile Page 23-25 https://drive.google.com/file/d/1PTs5by7AX4MzjoocxHkroGPSZVtVP2mT#page=23	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT			
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			

Recommendation 1.2				
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p>	<p>The Board of Trustees of SEDP MBA is consists of seven (7) members who are practicing Catholic namely the following: three (3) trustees shall be elected by the active members with existing loans funded by the Simbagsa Pag-Asenso Inc.; two (2) independent trustees, to be elected by the active members and two (2) members, one (1) of whom is representative of the SEDP-Simbagsa Pag-Asenso, Inc. (A Microfinance NGO) and one (1) representative from Social Action Center (SAC) Diocese of Legazpi.</p> <p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Website (mba.sedp.ph) <p>SEDP MBA Board of Trustees Composition</p> <p>https://mba.sedp.ph/who-we-are/our-institution</p>	

Recommendation 1.3				
<p>1. Company provides in its Board Charter or Manual on Corporate Governance a policy on the training of directors.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.</p>	<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"> • 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"> o Evaluation of the board and the chairperson. o Election and re-election of board members. o Board orientation and education. o Succession planning for the board chair and other board members. <p>Link and References:</p> <ul style="list-style-type: none"> • 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 	
<p>2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered</p>	<p>Orientation program is conducted for first time Directors/Trustees</p> <p>Link and References:</p> <ul style="list-style-type: none"> • 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 	

			<ul style="list-style-type: none"> • Certificate of Attendance https://res.cloudinary.com/djv7qdzny/image/upload/v1715236764/BOT_Certificate_568d7799ed.pdf?updated_at=2024-05-09T06:39:24.679Z 	
3. Company has relevant annual continuing training for all directors	COMPLIANT		<p>Training Attended for the year 2023</p> <p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA 2023 Annual Report Board of Trustees Trainings Attended Page 54-55 https://drive.google.com/file/d/1PTs5by7AX4M2jooxHkroGPSZvTVP2mT#page=54 <p>Website</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1717052924/Trainings_2023_7892f8b55c.pdf?updated_at=2024-05-30T07:08:45.694Z</p>	
Recommendation 1.4				
1. Board has a policy on board diversity	COMPLIANT	Provide information or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board	<p>The SEDP MBA Board of Trustee is composed of 7 members of 3 Female and 4 Male</p> <p>Link and References:</p> <ul style="list-style-type: none"> • 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	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions	<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>Link and References:</p> <ul style="list-style-type: none"> • Management Support Staff Job Description https://res.cloudinary.com/djv7qdzny/image/upload/v1683778005/Management_Support_Staff_Job_Description_d3d8659901.pdf?updated_at=2023-05-11T04:06:46.281Z 	

2. Corporate Secretary is a separate individual from the Compliance Officer	COMPLIANT		<p>The acting Corporate Secretary is Ms. Nica Madrona, Management Support Staff of SEDP MBA and not functioning as Compliance officer.</p> <p>Link and references:</p> <ul style="list-style-type: none"> • SEDP MBA Website (mba.sedp.ph) Management and Staff <p>https://mba.sedp.ph/who-we-are/our-institution</p>	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		<p>Corporate Secretary is not a member of the Board of Trustees</p> <p>Ms. Nica Madrona- Management Support Staff/ Corporate Secretary</p> <p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Website (mba.sedp.ph) Management and Staff <p>https://mba.sedp.ph/who-we-are/our-institution</p>	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training	<p>The SEDP MBA Corporate Secretary attended the ASEAN Corporate Governance Scorecard facilitated by the Institute of Corporate Directors (ICD)</p> <p>Link and References:</p> <p>Ms. Nica Madrona- Management Support Staff/ Corporate Secretary Training Certificate</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778006/Asean_Corporate_Governance_Scorecard_7e8954dfed.pdf?updated_at=2023-05-11T04:06:47.053Z</p>	
Recommendation 1.6				
1. Board is assisted by a Compliance Officer	COMPLIANT	Provide information or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	<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>Link and References</p> <p>Job Description of General Manager/ Compliance Officer</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778005/General_Manager_Job_Description_40c1d2c7d6.pdf?updated_at=2023-05-11T04:06:46.374Z</p>	

			<p><u>Job Description of Admin and Finance Officer/ Alternate Compliance Officer</u></p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778005/Admin_and_Finance_Officer_Job_Description_ec731cf81b.pdf?updated_at=2023-05-11T04:06:46.183Z</p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	COMPLIANT		<p>The Compliance and Alternate Compliance Officers of SEDP MBA are the following:</p> <ol style="list-style-type: none"> 1. Roberto Dalit, General Manager 2. Josie Belen, Admin & Finance Officer. <p>Link & References: Secretary Certificate: Compliance Officer and Alternate Compliance Officer</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778006/Compliance_Officer_Secretary_Certificate_cea3a49b89.pdf?updated_at=2023-05-11T04:06:47.153Z</p>	
3. Compliance Officer is not a member of the board	COMPLIANT		<p>SEDP MBA Compliance officers are part of the management team and not of the Board as stated in their designation.</p> <p>Link & References: https://mba.sedp.ph/who-we-are/our-institution</p>	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	<p>The SEDP MBA Compliance Officer attended a series of trainings/seminar/workshop on Corporate Governance</p> <p>Link and References: Certificate of Attendance</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1717051891/Certificates_0a8a2de697.pdf?updated_at=2024-05-30T06:51:31.970Z</p>	

Principle 2. 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.

Recommendation 2.1

<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>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • Board Performance Evaluation Policy Coverage of Evaluations Page 5-6 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=5 • Board Performance Evaluation Policy BOT Performance Evaluation Tool Page 8-12 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=8 • Board Resolutions https://res.cloudinary.com/djv7qdzny/image/upload/v1715222753/2023_BOARD_RESOLUTIONS_d3ado7402c.pdf?updated_at=2024-05-09T02:45:53.819Z • BOT Evaluation Result https://res.cloudinary.com/djv7qdzny/image/upload/v1715222893/BOARD_EVALUATION_RESULT_2023_d70937ab38.pdf?updated_at=2024-05-09T02:48:13.732Z 	
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Recommendation 2.2

<p>1. Board oversees the development, review, and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	<p>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>Link and References:</p> <ul style="list-style-type: none"> • Joint Governance and Finance Committee Resolution No. 3. Series of 2023 page 5-SEDP MBA 2023 Annual Plan https://res.cloudinary.com/djv7qdzny/image/upload/v1715237215/Joint_Governance_and_Finance_Committee_Meeting_Feb_27_344aed2e63.pdf?updated_at=2024-05-09T06:46:56.040Z#page=5 • Joint Governance and Finance Committee Resolution No. 4. Series of 2023 page 5-SEDP MBA 2023 Annual Budget https://res.cloudinary.com/djv7qdzny/image/upload/v1715237215/Joint_Governance_and_Finance_Committee_Meeting_Feb_27_344aed2e63.pdf?updated_at=2024-05-09T06:46:56.040Z#page=5 	
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			09T06:46:56.040Z#page=6 <ul style="list-style-type: none"> Board of Trustees Meeting BOARD OF TRUSTEES RESOLUTION NO. 6 SERIES OF 2023. 2023 ANNUAL PLAN AND BUDGET 	
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		<p>The Board of trustees ensures the implementation of the set business objectives through the quarterly assessment presented by the management.</p> <p>Links and References:</p> <ul style="list-style-type: none"> Joint Governance and Finance Committee Resolution No. 3. Series of 2023 page 5-SEDP MBA 2023 Annual Plan https://res.cloudinary.com/djv7qdzny/image/upload/v1715237215/Joint_Governance_and_Finance_Committee_Meeting_Feb_27_344aed2e63.pdf?updated_at=2024-05-09T06:46:56.040Z#page=5 Joint Governance and Finance Committee Resolution No. 4. Series of 2023 page 5-SEDP MBA 2023 Annual Budget https://res.cloudinary.com/djv7qdzny/image/upload/v1715237215/Joint_Governance_and_Finance_Committee_Meeting_Feb_27_344aed2e63.pdf?updated_at=2024-05-09T06:46:56.040Z#page=6 Board of Trustees Meeting BOARD OF TRUSTEES RESOLUTION NO. 6 SERIES OF 2023. 2023 ANNUAL PLAN AND BUDGET https://res.cloudinary.com/djv7qdzny/image/upload/v1715236986/BOT_Meeting_May_19_bf73b508a5.pdf?updated_at=2024-05-09T06:43:06.8417#page=12 	
Recommendation 2.3				
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairperson, including his/her name and qualifications	<p>Link and References:</p> <ul style="list-style-type: none"> President/Chairman Profile- Website https://res.cloudinary.com/djv7qdzny/image/upload/v1715327221/President_Profile_do4479efa3.pdf?updated_at=2024-05-10T07:47:01.548Z 	

			<p>2023 Annual Report</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2joocxHkroGPSZVtVP2mT#page=23</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2joocxHkroGPSZVtVP2mT/view#page=23</p>	
Recommendation 2.4				
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation	<p>The 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>Link and References:</p> <ul style="list-style-type: none"> Governance Committee Charter Responsibilities Page 2 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf#page=2</p>	The Governance Committee Chairman has the plan to review the committee charter to update some required policies on
Recommendation 2.5				
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	<p>Link and references:</p> <ul style="list-style-type: none"> Employees Performance Evaluation Policy Salary Increase Page 8 <p>https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=8</p>	
2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT		<p>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.</p> <p>Link and References:</p>	
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	COMPLIANT		<ul style="list-style-type: none"> SEDP MBA By Laws Article II Section 7 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf#page=5</p>	

Recommendation 2.6				
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	<p>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</p> <p>Link and References: https://mba.sedp.ph/files/Nomination%20Committee.pdf</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board.		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	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director		
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				
<p>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</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs. Identify transactions that were approved pursuant to the policy.</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • 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 <p>BOT Disclosure Statement</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715237840/BOT_Disclosure_Agreement_6232c7f2e1.pdf?updated_at=2024-05-09T06:57:21.417Z</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions</p>	<p>COMPLIANT</p>		<p>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.</p> <p>SEDP MBA ensures that there will be a disclosed collateral on loan application and the required credit rating as required by the Insurance Commission.</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.</p>	<p>COMPLIANT</p>		<p>Link and references:</p> <p>SEDP MFI Credit Rating</p> <p>Summary of Board of Trustees Resolution No. 10 Minutes of the Meeting (Approval of Loan)</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683789284/2020_BOARD_RESOLUTIONS_aa76fco7ae.pdf?updated_at=2023-05-11T07:14:45.566Z#page=2</p>	
Recommendation 2.8				
<p>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).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed.</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Corporate Governance Manual <p>PART II – GOVERNANCE STRUCTURE</p> <p>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</p> <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=6</p>	

<p>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).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance</p>	<p>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.</p> <p>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)</p> <p>Link and references:</p> <p>CEO/Compliance Officer Performance Evaluation</p> <p>https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf</p> <p>Evaluation Jan- June 2023 & July- Dec 2023</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1717054853/gm_eval_2023_1_1_f18dof377c.pdf?updated_at=2024-05-30T07:40:55.534Z</p>	
<p>Recommendation 2.9</p>				
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>The Management was mandated by the Board of Trustees to have a Semestral performance evaluation report.</p>	
<p>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.</p>	<p>COMPLIANT</p>		<p>Link and references:</p> <ul style="list-style-type: none"> • Employees Performance Evaluation Policy <p>https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf</p>	
<p>Recommendation 2.10</p>				
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Audit Committee Charter Pag-3-4 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3</p>	

		system	Link and References: <ul style="list-style-type: none"> 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			
3. Board approves the Internal Audit Charter	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	Link and References: <ul style="list-style-type: none"> SEDP MBA Audit Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf 	
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	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.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any.	Link and References: <ul style="list-style-type: none"> SEDP MBA ERM Framework https://res.cloudinary.com/djv7qdzny/image/upload/v1715238149/SEDP_MBA_ERM_2023_46001abe8f.pdf?updated_at=2024-05-09T07:02:30.158Z 	
Recommendation 2.12				
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	Link and References: <ul style="list-style-type: none"> Governance Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf 	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		<ul style="list-style-type: none"> Audit Committee Charter https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf 	

<p>3. Board Charter is publicly available and posted on the company's website.</p>			<ul style="list-style-type: none">• 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• Website-CHARTERS https://mba.sedp.ph/corporate-governance/#policies	
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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	Provide information or link/reference to a document containing information on all the board committees established by the company.	Link and References: https://mba.sedp.ph/corporate-governance/#boardCommittees	
Recommendation 3.2				
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor	Link and References: <ul style="list-style-type: none"> • 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 • 2023 AGMM Minutes May 27, 2023 Appointment of External Auditor line number 730 page 14 AGMM RESOLUTION NO. 07 – 2023. APPROVAL OF THE 2023 EXTERNAL AUDITOR https://res.cloudinary.com/djv7qdzny/image/upload/v1685672188/2023_AGMM_MINUTES_oof8301356.pdf?updated_at=2023-06-02T02:16:28.746Z#page=14 	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Link and References: Composition of Audit Committee https://mba.sedp.ph/corporate-governance/#boardCommittees https://mba.sedp.ph/who-we-are/our-institution Ms. Teresita Galang – Independent Trustee Fr. Rafael Sambajon – Independent Trustee Ms. Rochelle Apoon - Trustee	

			<p>Ms. Amalia Clarianes – Trustee</p> <p>Website https://res.cloudinary.com/djv7qdzny/image/upload/v1715582729/Audit_Committee_Profile_07176b6aaa.pdf?updated_at=2024-05-13T06:45:30.077Z</p> <p>2023 Annual Report Board of Trustees Profile Page 23-25 https://drive.google.com/file/d/1PTs5by7AX4M2joocxHkroGPSZVtVP2mT#page=23</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee</p>	<p>Link and References:</p> <p>2023 Annual Report Board of Trustees Profile Page 23-25 Ms. Teresita Galang Fr. Rafael Sambajon – Independent Trustee Ms. Rochelle Apoon Ms. Amalia Clarianes - Trustee</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2joocxHkroGPSZVtVP2mT#page=23</p> <p>Website https://res.cloudinary.com/djv7qdzny/image/upload/v1715582729/Audit_Committee_Profile_07176b6aaa.pdf?updated_at=2024-05-13T06:45:30.077Z</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p>	<p>Link and References:</p> <p>https://mba.sedp.ph/corporate-governance/#boardCommittees</p> <p>Ms. Teresita Galang is the Audit Committee Chairman. She was not the Chairman of the Board of Trustees neither a chairman of any other committees of the Board.</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715585268/Audit_Committe_Chair_Profile_e87ac68485.pdf?updated_at=2024-05-13T07:27:48.958Z</p>	

Recommendation 3.3				
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions. Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable,</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Governance Committee Charter is accessible through our website https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Governance-Committee-Charter.pdf 	
<p>2. Corporate Governance Committee is composed of at least three members, the majority of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • Composition of Governance Committee Fr. Jose Victor Lobrigo – Chairman/Independent Trustee Ms. Remegia Balucio - Member Ms. Teresita Galang, - Independent Trustee Fr. Rafael Sambajon – Independent Trustee/ Board Secretary <p>Website https://mba.sedp.ph/corporate-governance/#boardCommittees https://res.cloudinary.com/djv7qdzny/image/upload/v1715585589/Governance_Committee_profile_5eof6803ff.pdf?updated_at=2024-05-13T07:33:09.893Z 2023 Annual Report Board of Trustees Profile Page 23-25 https://drive.google.com/file/d/1PTs5by7AX4M2j0ocxHkroGPSZVtVP2mT/page=23</p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee</p>	<p>Link and References:</p> <p>Fr. Jose Victor Lobrigo – Chairman/Independent Trustee</p> <ul style="list-style-type: none"> • Board Committees https://mba.sedp.ph/corporate-governance/#boardCommittees <p>Website https://res.cloudinary.com/djv7qdzny/image/upload/v1715327221/President_Profile_d04479efa3.pdf?updated_at=2024-05-10T07:47:01.548Z</p>	

			2023 Annual Report Board of Trustees Profile Page 23 https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=23	
Recommendation 3.4				
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	Link and References: BROC Committee https://mba.sedp.ph/corporate-governance/#boardCommittees BROC Charter https://res.cloudinary.com/djv7qdzny/image/upload/v1715328192/SED_P_MBA_risk_oversight_committee_charter_102ee88a22.pdf?update_d_at=2024-05-10T08:03:13.464Z 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.		Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	Link and References: SEDP MBA Website https://mba.sedp.ph/corporate-governance https://res.cloudinary.com/djv7qdzny/image/upload/v1715327962/BOT_Committees_1057f5fbob.pdf?updated_at=2024-05-10T07:59:22.895Z	
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.		Provide information or link/reference to a document containing information on the Chairman of the BROC	Link and References: SEDP MBA Website <ul style="list-style-type: none"> Board of Trustees Committees https://mba.sedp.ph/corporate-governance Fr. Rafael Sambajon- BROC Committee Chairman Website https://res.cloudinary.com/djv7qdzny/image/upload/v1715585788/BROC_Chair_Profile_5478eb3afe.pdf?updated_at=2024-05-13T07:36:29.129Z 2023 Annual Report Board of Trustees Profile Page 24 https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=24	

<p>4. At least one member of the BROC has relevant thorough knowledge and experience in risk and risk management.</p>		<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	<p>Ms. Riza Barrameda, CPA, Internal Auditor of SEDP Inc. a member of BROC attended several training regarding Risk Management</p> <p>Link and References:</p> <ul style="list-style-type: none"> • Board of Trustees Committees /Board Risk Oversight Committee https://mba.sedp.ph/corporate-governance • https://res.cloudinary.com/djv7qdzny/image/upload/v1715327962/BOT_Committees_1057f5fbob.pdf?updated_at=2024-05-10T07:59:22.895Z • Certificates of Trainings https://res.cloudinary.com/djv7qdzny/image/upload/v1683778006/Riza_Barrameda_Certificates_0936f5445.pdf?updated_at=2023-05-11T04:06:47.543Z • Risk Management In-House Seminar was attended by all Board of Trustees <p>2022 Annual Report page 19 https://drive.google.com/uc?export=view&id=1of6CwjlcPzimb7cU-nwLwHPJHm6PqItC#page=19</p>	
<p>Recommendation 3.5</p>				
<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>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p>	<p>Link and References:</p> <ul style="list-style-type: none"> • SEDP MBA Website https://mba.sedp.ph/corporate-governance/#boardCommittees 	
<p>2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p>	<p>Link and References:</p> <p>SEDP MBA Website</p> <p>https://mba.sedp.ph/corporate-governance/#boardCommittees</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715327962/BOT_Committees_1057f5fbob.pdf?updated_at=2024-05-10T07:59:22.895Z</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715586759/RPT_Committee_Profile_bfeaf9723d.pdf?updated_at=2024-05-13T07:52:39.648Z</p>	

Recommendation 3.6				
<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>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p>	<p>Links and Reference:</p> <ul style="list-style-type: none"> • 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 	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>COMPLIANT</p>		<p>The Performance Evaluation of each Committees were based from the their functions</p> <p>Links and Reference: Board Performance Evaluation Policy Page 16-40 https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf#page=16</p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p>	<p>Links and Reference: SEDP MBA Website (Charters) https://mba.sedp.ph/corporate-governance/#policies</p>	

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, Committees and shareholders in person or through tele or videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • SEDP MBA 2023 Annual Report – Board and Committee Meetings Page 28-37 <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooctxHkroGPSZVtVP2mT#page=28</p>	
2. The director's review meeting materials for all Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • Discussion on Observations/Finding and Agreements line number 121-191 Page 3-4 during the Board of Trustees Meeting last January 25, 2023 <p>BOT Minutes- January 25, 2023</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715587112/BOT_Meeting_January_25_2023_c34c265250.pdf?updated_at=2024-05-13T07:58:33.433Z</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • CORPORATE GOVERNANCE MANUAL PART II – GOVERNANCE STRUCTURE Multiple Board Seats Page 8 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=8</p> <ul style="list-style-type: none"> • SEDP MBA 2023 Annual Report Board of Trustees Profile Page 23-25 <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooctxHkroGPSZVtVP2mT#page=23</p>	
Recommendation 4.2				
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • CORPORATE GOVERNANCE MANUAL PART II – GOVERNANCE STRUCTURE Multiple Board Seats Page 8 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=8</p> <ul style="list-style-type: none"> • SEDP MBA 2023 Annual Report Board of Trustees Profile Page 23-25 <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooctxHkroGPSZVtVP2mT#page=23</p>	

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	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.		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 Board is composed of at least twenty percent (20%) independent directors	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board	Links and Reference: SEDP MBA has 4 Independent Trustees out of 7 members of the Board. 57% https://mba.sedp.ph/who-we-are/our-institution	
Recommendation 5.2				
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors	Links and Reference: • BOT Election Guidelines II-Qualifications, Remuneration & Term of Office #4 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf 2023 Annual Report Board of Trustees Profile Page 23-25 Fr. Jose Victor Lobrigo Fr. Rex Paul Arjona Fr. Rafael Sambajon Ms. Teresita Galang https://drive.google.com/file/d/1PTs5by7AX4M2jooctxHkroGPSZvtVP2mT#page=23 Website Board of Trustees Profile https://res.cloudinary.com/djv7qdzny/image/upload/v1715587810/Independent_Trustee_Profiles_bbeobd1520.pdf?updated_at=2024-05-13T08:10:10.684Z	

Recommendation 5.3				
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p>	<p>Links and Reference:</p> <ul style="list-style-type: none"> • BOT Election Guidelines II Qualifications, Remunerations & Term of Office # 3 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf 	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p>	<p>Links and Reference:</p> <ul style="list-style-type: none"> • BOT Election Guidelines II Qualifications, Remunerations & Term of Office # 3 https://mba.sedp.ph/files/BOT%20Election%20Guidelines.pdf 	
<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.</p>	<p>COMPLIANT</p>	<p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting</p>		<p>SEDP MBA follows the term limit of the independent trustee of nine years.</p> <p>No Independent Trustees had served for more than nine years.</p>

Recommendation 5.4				
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer.	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	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO	Roles and Responsibilities of the General Manager and President Links and Reference: SEDP MBA BYLAWS_July 25, 2020 page 14 Function & Powers of Officers Section 1. President https://res.cloudinary.com/djv7qdzny/image/upload/v1683782341/SEDP_MBA_Amended_By_Laws202_SEC_Approved2023_1_9255d40079.pdf?updated_at=2023-05-11T05:19:01.999Z#page=14 Job Description of General Manager https://res.cloudinary.com/djv7qdzny/image/upload/v1683778005/General_Manager_Job_Description_40c1d2c7d6.pdf?updated_at=2023-05-11T04:06:46.374Z	
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	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent	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	
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	Provide proof of abstention, if this was the case.	The members of the Board of Trustees do not have material interest in any transactions in compliance to the policy on related party transactions.	
Recommendation 5.7				

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide proof and details of said meeting, if any</p> <p>Provide information on the frequency and attendees of meetings.</p>	<p>Link and References:</p> <p>Executive Sessions was conducted during the following BOT Meeting and was Chaired by President Fr. Jose Victor E. Lobrigo which is a Independent Director</p> <ul style="list-style-type: none"> • Minutes during the BOT Meeting last January 25, 2023 Line 630 Page 13 https://res.cloudinary.com/djv7qdzny/image/upload/v1715587112/BOT_Meeting_January_25_2023_c34c265250.pdf?updated_at=2024-05-13T07:58:33.433Z 	
<p>2. The meetings are chaired by the lead of the independent director.</p>	<p>COMPLIANT</p>		<ul style="list-style-type: none"> • Minutes during the BOT Meeting last November 24, 2023 Line 519 Page 10 https://res.cloudinary.com/djv7qdzny/image/upload/v1715588959/BOT_Meeting_November_24_b263f8b5b7.pdf?updated_at=2024-05-13T08:29:20.650Z 	

Principle 6: 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.

Recommendation 6.1				
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees	Links and Reference: The Board of Trustees conducted Performance Evaluation at the end of 2021 for the period of January 2021-December 2021 (See attached Consolidated BOT Evaluation Result including Evaluation of Chairman, BOT Members and Committee Evaluation) 2023 Board Evaluation Result https://res.cloudinary.com/djv7qdzny/image/upload/v1715222893/BOARD_EVALUATION_RESULT_2023_d70937ab38.pdf?updated_at=2024-05-09T02:48:13.732Z	
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	Identify the external facilitator and provide proof of use of an external facilitator.	The assessment supported by an external Facilitator will be conducted for the year 2022 since the first evaluation for the Board of Trustees was conducted last 2020 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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	Links and Reference: <ul style="list-style-type: none"> • SEDP MBA Board Performance Evaluation Policy https://mba.sedp.ph/files/BOARD%20PERFORMANCE%20EVALUATION%20POLICY.pdf The Board of Trustees conducted Performance Evaluation at the end of 2021 for the period of January 2021-December 2021 (See attached Consolidated BOT Evaluation Result including Evaluation of Chairman, BOT Members and Committee Evaluation) 2023 Board Evaluation Result https://res.cloudinary.com/djv7qdzny/image/upload/v1715222893/BOARD_EVALUATION_RESULT_2023_d70937ab38.pdf?updated_at=2024-05-09T02:48:13.732Z	

2. The system allows for a feedback mechanism from the shareholders	COMPLIANT		Links and Reference: The stakeholders can anytime access our website for feedbacking. https://mba.sedp.ph/contact-us	
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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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • SEDP MBA Code of Discipline <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf</p>	
2. The Code is properly disseminated to the Board, senior management, and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	<p>The Handbook for Code of Discipline was distributed to the Board of Trustees, Management, and Employees.</p> <p>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.</p>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • SEDP MBA Code of Discipline <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/Code-of-Discipline.pdf</p>	
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	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance	<p>The conduct of Semestral Staff Performance evaluation is the proof of implementation and monitoring of staff compliance with the Code.</p>	
2. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT		<p>Links and Reference:</p> <p>Employees Performance Evaluation Policy</p> <p>https://mba.sedp.ph/files/EMPLOYEES%20PERFORMANCE%20EVALUATION%20POLICY.pdf</p>	

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.

Recommendation 8.1				
<p>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.</p>	COMPLIANT	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p>	<p>Links and Reference:</p> <p>Annual Audited Financial Statements and Annual Report were disclosed at the website and readily available for viewing by our stakeholders.</p> <p>https://mba.sedp.ph/corporate-governance/#disclosure</p> <p>Website</p> <p>2023 Annual Report Board of Trustees Profile</p> <p>Our Status Page 4-18 https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=4</p> <p>2023 Audited Financial Statement- Page 58 https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=58</p>	
Recommendation 8.2				
<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>	COMPLIANT	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>Links and Reference:</p> <p>Board of Trustees Profile https://res.cloudinary.com/djv7qdzny/image/upload/v1715644726/BOT_Profile_fb45bc2597.pdf?updated_at=2024-05-13T23:58:47.295Z</p> <p>2023 Annual Report Board of Trustees Profile Page 23-25 https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=23</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>	COMPLIANT	<p>Provide information on or link/reference to the key officers academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>Links and Reference:</p> <p>General Manager Profile https://res.cloudinary.com/djv7qdzny/image/upload/v1683778005/GM_profile_e5b068bf81.pdf?updated_at=2023-05-11T04:06:46.459Z</p>	

Recommendation 8.3				
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.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	<p>Links and Reference:</p> <ul style="list-style-type: none"> • SEDPMBA 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 Page 3 <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/sedp-mba-amended-by-laws_2018.pdf#page=5</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.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	<p>Links and Reference:</p> <p>SEDP MBA Salary Scale/Structure</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778006/SEDP_MBA_Salary_Structure_312c2c8043.pdf?updated_at=2023-05-11T04:06:46.479Z</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>2023 Annual Report</p> <p>REMUNERATION POLICY FOR THE BOARD AND GENERAL MANAGER Page 38</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=38</p> <p>Employee Management Page 40</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=40</p> <p>Links and Reference:</p> <p>HR Manual Page 47-48 – Retirement Policy</p> <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-HR-Manual.pdf#page=47</p>	
Recommendation 8.4				
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction	<p>Links and Reference:</p> <p>2023 Annual Report Related Party Transaction Policy Page 52</p> <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZvtVP2mT#page=52</p>	

			Website 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	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of director approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions	Links and Reference: 2023 Annual Report Note 20 Page 100 (Audited FS) https://drive.google.com/file/d/1PTs5by7AX4M2joocxHkroGPSZVtVP2mT#page=100	

Recommendation 8.5				
1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	Links and Reference: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Links and Reference: <ul style="list-style-type: none"> • Audit Committee Charter Responsibility #1 Page 3 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=3 • 2023 AGMM Minutes May 27, 2023 Appointment of External Auditor line number 730 page 14 AGMM RESOLUTION NO. 07 – 2023. APPROVAL OF THE 2023 EXTERNAL AUDITOR https://res.cloudinary.com/djv7qdzny/image/upload/v1685672188/2023_AGMM_MINUTES_oof8301356.pdf?updated_at=2023-06-02T02:16:28.746Z#page=14 	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board, and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor	100% <ul style="list-style-type: none"> • 2023 AGMM Minutes May 27, 2023 Appointment of External Auditor line number 730 page 14 AGMM RESOLUTION NO. 07 – 2023. APPROVAL OF THE 2023 EXTERNAL AUDITOR https://res.cloudinary.com/djv7qdzny/image/upload/v1685672188/2023_AGMM_MINUTES_oof8301356.pdf?updated_at=2023-06-02T02:16:28.746Z#page=14 	

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor</p>	<p>Links and Reference:</p> <ul style="list-style-type: none"> • 2023 AGMM Minutes May 27, 2023 Appointment of External Auditor line number 730 page 14 <p>AGMM RESOLUTION NO. 07 – 2023. APPROVAL OF THE 2023 EXTERNAL AUDITOR</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1685672188/2023_AGMM_MINUTES_oof8301356.pdf?updated_at=2023-06-02T02:16:28.746Z#page=14</p>	
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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	Provide link/reference to the company's Audit Committee Charter.	Links and Reference: <ul style="list-style-type: none"> • SEDP MBA Audit Committee Charter 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	Disclose the nature of non-audit services performed by the external auditor, if any.	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	Provide link or reference to guidelines or policies on non-audit services.		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 underpins sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Board together with the management and employees commits to promote and ensure full disclosure and transparency. Links and Reference: Corporate Governance Manual	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	PART V – DISCLOSURE AND TRANSPARENCY Page 13-14 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders, and other interested users.

Recommendation 11.1				
1. The company should have a website to ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	Links and Reference: • SEDP MBA Website https://mba.sedp.ph • SEDP MBA Facebook Page https://www.facebook.com/sedpmbamicroinsurance	

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	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	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"> 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 their commendations and their implementation. 8. Review and approve the annual internal audit plans and programs and ensure its accomplishment. <p>Link and references: https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Audit-Committee-Charter-.pdf#page=4</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework</p>	<p>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.</p> <p>Link and References: SEDP MBA ERM Action Plan https://res.cloudinary.com/djv7qdzny/image/upload/v1685078005/SEDP_MBA_ERM_Action_Plan_95129a53dc.pdf?updated_at=2023-05-26T05:13:26.338Z</p>	The Board Risk Oversight Committee will periodically review this framework over time.
Recommendation 12.2				
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	<p>The independent internal auditor of SEDP MBA was outsourced from the partner MFI.</p> <p>Link and References: MOA with SEDP-Simbagsa Pag-Asenso Inc. https://res.cloudinary.com/djv7qdzny/image/upload/v16837</p>	

			78008/sedp_and_mba_moa_1_1a9ca891dd.pdf?updated_at=2023-05-11T04:06:48.587Z	
Recommendation 12.3				
1. The company has a qualified Chief Audit Executive(CAE)appointedbytheBoard	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<p>The independent internal auditor of SEDPMBA was outsourced from the partner MFI.</p> <p>Link and References:</p> <p>MOA with SEDP-Simbag sa Pag-Asenso Inc.</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1683778008/sedp_and_mba_moa_1_1a9ca891dd.pdf?updated_at=2023-05-11T04:06:48.587Z</p>	
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 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	Identify qualified independent executive or senior management personnel, if applicable.		
Recommendation 12.4				
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.	<p>Risk management is the responsibility of the Compliance officer of the Anti-Fraud plan.</p> <p>Link and references:</p> <p>Anti-Fraud Manual</p> <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/ANTI%20Fraud%20Manual.pdf</p>	
Recommendation 12.5				
1. In managing the company's Risk Management System, the company has a Chief Risk Officer(CRO),who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/ANTI%20Fraud%20Manual.pdf</p>	
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	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed	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	Provide link to company's website	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	
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	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement	The Notice of the meeting and Agenda for the 2023 Annual General Membership Meeting was uploaded to the Website last April 14, 2023, 44 days before the AGM. Links and Reference: <ul style="list-style-type: none"> • SEDP MBA Website Notice of Meeting https://res.cloudinary.com/djv7qdzny/image/upload/v1689131239/Announcement_of_GA_2023_f8aef5c859.pdf?updated_at=2023-07-12T03:07:20.178Z https://res.cloudinary.com/djv7qdzny/image/upload/v1715313399/proof_of_notice_28bd200a6f.pdf?updated_at=2024-05-10T03:56:39.691Z	
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	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	The Board Election Result during the 2023 Annual General Membership Meeting was uploaded to the Website last May 29, 2023 one working day after the conduct of the meeting Links and Reference: <ul style="list-style-type: none"> • SEDP MBA Website 	

			<p>Board Election Result</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1685685722/2023_BOT_Election_Result_gdf1dd349a.pdf?updated_at=2023-06-02T06:02:02.911Z</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715326182/Proof_Election_Result_d72db4090a.pdf?updated_at=2024-05-10T07:29:42.811Z</p>	
<p>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.</p>	COMPLIANT	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>	<p>The Minutes of the 2023 Annual General Membership Meeting was uploaded to the Website last May 29, 2023, one working day after the conduct of the meeting</p> <p>Links and Reference:</p> <ul style="list-style-type: none"> • SEDP MBA Website <p>Minutes of Annual General Meeting</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1685672188/2023_AGMM_MINUTES_oof8301356.pdf?updated_at=2023-06-02T02:16:28.746Z</p> <p>https://res.cloudinary.com/djv7qdzny/image/upload/v1715313388/Proof_of_minutes_6c760ec926.pdf?updated_at=2024-05-10T03:56:28.570Z</p>	
Recommendation 13.4				
<p>1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner</p>	COMPLIANT	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</p>	<p>Links and Reference:</p> <p>Corporate Governance Manual Page 13 Feedback And Grievance Policy For Stakeholders</p> <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13</p>	<p>To formulate the alternative dispute mechanism for inclusion in the Corporate Governance Manual</p>
<p>The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	COMPLIANT		<p>Links and Reference:</p> <p>Corporate Governance Manual Page 13 Feedback And Grievance Policy For Stakeholders</p> <p>https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=13</p>	

DUTIES TO STAKEHOLDERS

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.

Recommendation 14.1				
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.		Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Links and Reference: <ul style="list-style-type: none"> • Corporate Governance Manual Page 10-13 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP-MBA-Corporate-Governance-Manual.pdf#page=10	
Recommendation 14.2				
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders	To protect SEDP MBA stakeholders the association formulated the anti-fraud plan. Link and references: <ul style="list-style-type: none"> • Anti-Fraud Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/ANTI%20Fraud%20Manual.pdf	

Recommendation 14.3				
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.	COMPLIANT	Provide the contact details contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	<p>Links and Reference:</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 https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf</p> <p>The stakeholders are welcome to air their redress through our website.</p> <p>SEDP MBA Website (Contact us) https://mba.sedp.ph/contact-us</p>	
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	<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>Link and References: Annual Operations Plan https://res.cloudinary.com/djv7qdzny/image/upload/v1683778006/2023_SEDP_MBA_PLAN_617158a211.pdf?updated_at=2023-05-11T04:06:46.954Z</p>	
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	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	<p>The Board of Trustees approved the Anti-Fraud Plan</p> <p>Link and References: Anti-Fraud Manual https://mba.sedp.ph/mba.sedp.ph%20PDFs/ANTI%20Fraud%20Manual.pdf</p>	For inclusion in the Code of Discipline policy
2. Board disseminates the policy and program to employees across the organization through	COMPLIANT	Identify how the board disseminated the policy and	The Anti-Fraud Manual is discussed during the orientation	

trainings to embed them in the company's culture.		program to employees across the organization.	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	Disclose or provide link/reference company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation.	SEDP MBA established Whistleblower protection policy approved by the Board Link and References: Whistleblower Protection Policy	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Provide contact details to report any illegal or unethical behavior	https://mba.sedp.ph/mba.sedp.ph%20PDFs/SEDP%20MBA%20Whistleblower%20Protection%20Policy.pdf	
4. Board supervises and ensures the enforcement of the whistleblowing framework	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.		

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				
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	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	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	


			<ul style="list-style-type: none">• SEDP MBA 2023 Annual Report Pages 46-51 <p>https://drive.google.com/file/d/1PTs5by7AX4M2jooCxHkroGPSZVtVP2mT#page=46</p>	
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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 May 25, 2024.



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


ROBERTO A. DALIT
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

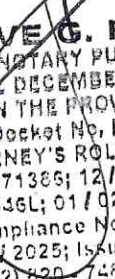

FR. RAFAEL SAMBAJON
INDEPENDENT DIRECTOR
Signature over printed name


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

SUBSCRIBED AND SWORN to before me this 25th of May 2024, 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	p6518852A	03/22/2018- Legazpi City
2.	FR. REX PAUL ARJONA	11039605	02/14/2022- Legazpi City
3.	ROBERTO A. DALIT	01-01-2009	01/03/2022- Legazpi City
4.	NICA B. MADRONA	01-07-2020	01/03/2022- Legazpi City
5.	JOSIE B. BELEN	11030218	02/03/2022- Legazpi City
6.	FR. RAFAEL SAMBAJON	P3855621B	11/20/2019- Legazpi City
7.	TERESITA Q. GALANG, CPA, DBA	01399903	01/06/2022- Legazpi City

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Book No. 031 ;
Series of 2024


STEVE G. RESARI
NOTARY PUBLIC
UNTIL DECEMBER 31, 2025
FOR AND IN THE PROVINCE OF ALBAY
Serial / Docket No. NP - 2012 - 01
ATTORNEY'S ROLL NO. 57441
IBP No. 371386; 12/21/23; ALBAY
PTR No. 7207346L; 01/02/2024; ALBAY
MCLE Compliance No. VII - 0005603;
Valid until 01/12/2025; Issued on December 3, 2021
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