



SEDP MBA BOARD DIVERSITY POLICY

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

PURPOSE

This policy is intended to provide a framework for inclusion to promote diversity in the Board of Simbag saEmerhensya asin Dagdag Paseguro Mutual Benefit Association Inc. (SEDP MBA).

The Board of Directors of Simbag saEmerhensya asin Dagdag Paseguro Mutual Benefit Association Inc. (SEDP MBA) believes in the benefits diversity brings and it recognizes that diversity of thought makes prudent business sense. Having a board composed of men and women with diverse skills, experience, backgrounds and perspectives means:

- competitive advantage;
- robust understanding of opportunities, issues and risks;
- inclusion of different concepts, ideas, and relationships;
- enhanced decision-making and dialogue; and
- heightened capacity for oversight of the organization and its governance.

For purposes of Board composition, diversity includes, but is not limited to, business and industry skills and experience, gender, geographical location and ethnicity. The Board will make good use of these differences and distinctions among individuals in determining the optimum composition of the Board.

All Board appointments must collectively reflect the diverse nature of the business environment in which the institutions operates and be made on merit, in the context of the skills, experience, independence and knowledge, which the Board requires to be effective.

The Board is committed to ensuring gender diversity and to diligently act to effect change. It aspires to maintain a Board in which each gender represents at least 40% of individuals.

POLICY STATEMENT ON ELECTION

Elections or appointments to the Board shall be primarily based on merit and qualification, which shall at all times be aligned with the Institution's mission, vision and strategic objectives. Moreover, to achieve a sustainable and balanced development, the Institution encourages diversity in the Company's Board membership. In all Board elections and appointments, no competent and qualified nominee shall be discriminated against by reason of gender, geographical location, age, cultural and educational background, ethnicity and length of service.

PRINCIPLES

Diversity of thought is enhance through intentional effort. SEDP MBA will be intentional in ensuring diversity.

Credibility is enhance through board and leadership diversity. There is a significant relationship between board and leadership gender diversity and corporate performance therefore; SEDP MBA will pursue a well-rounded, diverse, and credible approach to ensuring board and leadership diversity.

Legitimacy is enhance through respected, experienced, senior leaders. To ensure the diversity strategy of the institution is views as a legitimate process, all appointments will be made on merit.

Visibility is enhanced through the promotion of broad and common goals. Visibility enhances reputation. Gender diversity and inclusion imperatives are prominent on today's public stage and across industries. Going public with a board diversity strategy is a helpful step in holding ourselves accountable, setting an example, and providing thought leadership in the industry.

Accessibility is enhanced through a powerful collective voice. We will balance the intent of this policy with our need to be a powerful voice for diversity in all of its forms.

PROCESS

To achieve its diversity aspirations, the Board will:

- Set measurable objectives to achieve gender diversity with the ultimate goal of having a composition of the Board where each gender represents at least forty percent (40%).
- Ensure the board's composition considers the balance of skills, experience, knowledge, perspectives, independence and characteristics in alignment with the strategic needs of SEDP MBA and the environment in which it operates.
- Identify suitable candidates for appointment to the Board considering candidates on merit against objective criteria, and with due regard for the benefits of diversity on the team.
- Maintain an ongoing list of potential candidates. The list will include equal numbers of both genders. Whenever the list is not gender balanced, for each cycle of Board recruitment, SEDP MBA will not rely on the list but will search beyond it to bring it back into balance.
- Direct the search consultant (if using a search firm) to deliver a gender-balanced slate of diverse and equally qualified potential candidates.
- Monitor and report annually, in the corporate governance section of SEDP MBA's annual report and on institution's website (<https://mba.sedp.ph/>) its progress with respect to this policy.

MONITORING AND REPORTING

The Nomination Committee will disclose annually the Board's composition through the Annual General Membership Meeting giving due regard to its diversified perspectives and will monitor the implementation of this Policy.

REVIEW OF THIS POLICY

The Nomination Committee will review this Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions for the consideration and approval of the Board.

DISCLOSURE OF THIS POLICY

This Policy will be published on the Corporate Governance section of the SEDP MBA's website (<https://mba.sedp.ph/>). A summary of this Policy together with the measurable objectives set for its implementation, and the progress in achieving these objectives, will be disclosed in the Company's annual Corporate Governance Report.