

Excerpts from the Corporate Governance Manual

Reference for Item A3.1

PART 3 – MEMBERS

3.1 Rights of Members

The Board shall respect the rights of the members as provided for in the Corporation Code and Constitution and By-Laws of the CAREMBA, Inc. , namely:

3.1.1 To exercise the rights to vote on all matter relating to the affairs of the association (Voting Right);

3.1.2 To be eligible to any elective or appointive office of the association;

3.1.3 To participate in all deliberations/meetings of the association;

3.1.4 To avail of all the facilities of the association;

3.1.5 To examine all the records or books of the association during business hours (Power of Inspection)

Ref for Item D.3.1

PART V – DISCLOSURE AND TRANSPARENCY

5.1 Disclosure and Transparency Policy

The essence of good corporate governance is transparency. The Board commits at all times to meet all disclosure requirements particularly those involving material information as mandated by regulators within the prescribed period.

It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the members should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such **CORPORATE** information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

Ref for Item B.3.2 - 2.4 Code of Ethics and Conduct

2.4.1 Code of Conduct and Ethics for Trustees

The members of the Board have adopted the Code of Conduct and Ethics for Trustees. It describes the behavioral standards expected from a trustee so that he/she can better understand and meet the expectations and requirements of the organization and regulators. Included in the Code are the standards of conduct for ensuring the proper discharge of the duties and responsibilities, basic principle that a trustee should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests, avoiding situations that would compromise his impartiality; maintaining professional integrity; enhancement of skills, knowledge and understanding of association activities, etc.

Reference for Items B.4.1, B.4.2 & B 4.3

Part 2, Governance Structure

2.1.5.5 Disclosure of Third Party Transactions and Other Conflict of Interest

Members of the Board ensures proper disclosure of all approved Related Party Transactions (RPTs) in accordance with applicable legal and regulatory requirements and confirmation by majority vote on the Annual General Meeting the Association's significant transactions with related parties.

The Board should be transparent and fair in the conduct of the annual and meetings of the association. The members should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the bylaws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the member's favor.

Ref for Item C.1.1

Part 4, The Role of Stakeholders

The corporate governance framework should recognize the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

4.1.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.

4.1.2 Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.

Reference for Item C.1.2

Suppliers/ Contractors

The Association engages the assistance of suppliers and/or contractors to provide services that the association will need for its daily operations. As part of its value chain, the Association will monitor its engagements with suppliers and contractors to make sure that they practice good governance and protects the environment. The Association will only engage suppliers/contractors that meet these standards.

To ensure that engagements with suppliers/contractors will be impartial and transparent; the Association will conduct a bidding process for projects with contracts ; where a minimum of three (3) suppliers shall submit their proposal and business profile to the management for background check and validation of proposal. Selected supplier/contractor shall be issued a legal contract/agreement which will be duly notarized to make the engagement binding.

The association shall appoint the General Manager/Finance Officer to lead the bidding and selection process. All decisions/selections shall be approved by the board .

Reference for Item C.1.3

Part 4 Stakeholders

4.3 b) Environment

The Association's business operation does not directly affect the environment. However, it is still committed to do its part in promoting environmental sustainability through various initiatives within the office, among its trustees and employees and with its stakeholders.

Reference for Item D.2.2

Part 1

1.1.3 Goals & Objectives:

That the purpose for which the association is formed is to advance the interests and promote the welfare of the poor in particular and the interest and welfare of the Philippines in general. Specifically the association shall seek:

1.1.3.1 To extend financial assistance to its members, spouse, children and parents in the form of death benefits, sickness benefits, provident savings and loan redemption assistance;

1.1.3.2 To ensure continued access to benefits/ resources by actively involving the members in the management of the association that will include implementation of policies and procedures geared towards sustainability and improved services

Reference for Item E.1.3

2.1.5 Duties, Functions & Responsibilities of the Board

2.1.5.1 General Responsibility

Unless otherwise provided by law, the corporate powers of the Board of Trustees of CARE MBA, INC. shall be exercised, all business conducted and all properties of the corporation controlled and held by the Board of Trustees subject to approval of the majority of its members

2.1.5.2 Powers, Duties and Functions

Without prejudice to such powers as may be granted by law, the Board of Trustees of CARE MBA, INC. shall have the following powers:

2.1.5.2.1 From time to time, to promulgate rules and regulations consistent with the by-laws of the association, and to review, revise or amend the same when it deems necessary for the

Reference for Item E.1.5

1.1 Vision, Mission, Goals, Core Values

1.1.1 Vision:

CARE MBA is the leading microinsurance mutual benefit association of choice among cooperatives and other formal organized groups in the Philippines

1.1.2 Mission:

To provide responsive, timely and sustainable microinsurance products and services as protection to members of partner-cooperatives and other formal organized groups nationwide

1.1.3 Goals & Objectives:

That the purpose for which the association is formed is to advance the interests and promote the welfare of the poor in particular and the interest and welfare of the Philippines in general.

Reference for Item E1.6

2.1.5 Duties, Functions & Responsibilities of the Board

2.1.5.4 Internal Control Responsibilities of the Board

The control environment of the association consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The minimum internal control mechanisms for the Board is to ensure the separation of duties are perform in accordance to the defined control environment of the association.

Reference for Item E2.10

Part 2, Governance Structure

2.6 Committees

2.6.1 Nomination Committee

*The Nomination Committee is composed of at least three (3) members elected by the General Assembly possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees. They shall serve for a term of two years tasked to review and evaluate the qualifications of all persons nominated to the Board as well as

those nominated to other positions requiring appointment by the Board of Trustees; conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners.

Reference for Item E2.16

2.6.3 REMUNERATION COMMITTEE

*Shall be composed of at least three (3) members of the board of trustees, one (1) of whom must be independent trustee possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees. They shall serve for a term of two years.

Reference for Item E2.22

2.6.2 Oversight & Audit Committee

The Oversight & Audit committee shall be comprised of three (3) board members, two (2) of whom are independent board of trustees who are of good standing preferably with accounting and finance experiences. The committee shall meet at least quarterly and shall not be entitled to any salary but shall be entitled to per diem and reimbursement of actual expenses for attendance of official meetings equal to those received by members of the Board of Trustees.

Reference for Item 4.4

2.8.1 President

The President shall be the Chief Executive Officer of the association and shall exercise the following functions:

- 2.8.1.1 To preside in all meetings of the members of the association.
- 2.8.1.2 To execute all resolutions of the Board of Trustees.
- 2.8.1.3 To be charged with directing and overseeing the activities of association.
- 2.8.1.4 To submit to the Board as soon as possible after the close of each fiscal year, and to the members of each annual meeting, a complete report of the activities and operations of the association for the fiscal year under her term.
- 2.8.1.5 To represent CARE MBA in all functions and proceedings;
- 2.8.1.6 To appoint, remove, suspend or discipline employees of CARE MBA prescribe their duties and determine their salaries subject to confirmation by the Board of Trustees;
- 2.8.1.7 To execute in behalf of CARE MBA, INC. all contracts, agreements and other instruments affecting the interest of CARE MBA, INC. which may require approval of the Board of Trustees unless otherwise directed by the Board;
- 2.8.1.8 To perform such other duties as are incident to his office or are entrusted to him by the Board of Trustees.

Reference for Item E5.4

PART VI – PERFORMANCE EVALUATION

6.1 Board and Committee Performance Evaluation

Under the SEC Corporate Code and as espouse in the ACGS, the Board shall conduct a performance evaluation to measure its compliance to the governance manual. It shall be based on the Company By-Laws, IC Code of Corporate Governance Principles and Leading Practices, and other criteria that the IC may prescribe.

The evaluation shall be conducted annually preferably in January where the result of the evaluation shall be presented to the Board and the management. The Board, each of its respective oversight and other committees shall conduct an annual performance evaluation /assessment to check their compliance with manual and determine areas for improvements.

Reference for Item E5.6, E5.7, E5.8, E5.9 & E5.10

Annexes for Corporate Governance Manual

***Annual Self and Peer Assessment (SPA) and Performance Evaluation System (PES)**

CARE MBA, Inc. intend to encourage improved performance and effectiveness of trustees by identifying areas that need improvement. Each trustee is requested to rate their colleagues on the Board using the internal Self and Peer Assessment and Performance Evaluation System (SPA and PES). This is a tool utilized annually for self and peer rating of assessment and peer evaluation.

The baseline of SPA and PES is on (A) Qualities and Competence that the Board of Trustees possess and manifest and (B) Performance of Duties and Responsibilities. It is a Likert Rating scale with numerical scores and merit interpretations.

Reference for Item E5.1

2.2.3 Orientation of New Directors

The initial or organizational meeting of a newly elected Board of Trustees shall be held immediately after the conclusion of the General Assembly at which they are elected. Orientation for New Trustees shall be conducted by the officers, and the Management.

Reference for Item C.1.3

4.3

a) Community of Operations

In any business, there is a need for the support of the community where it operates. The Association acknowledge the significant role of the community in achieving its vision mission particularly in helping people become less vulnerable.

The Association will strengthen its relationship with the community by sharing information about its programs and services.

b) Environment

The Association's business operation does not directly affect the environment. However, it is still committed to do its part in promoting environmental sustainability through various initiatives within the office, among its trustees and employees and with its stakeholders.