

ANNUAL CORPORATE GOVERNANCE REPORT OF
Cooperative Alliance for Responsive Endeavor Mutual Benefit Association
(CAREMBA), Inc.

1. For the Fiscal Year Ended **2022**
2. Certificate Authority Number **2022-03-R**
3. Quezon Province, Philippines
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Name of MBA: **Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CAREMBA), Inc.**
2022 Annual Corporate Governance Report

	Compliant / Non-Compliant	Additional Information	Explanation
The Board's 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 is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>The Board of Trustees of CARE MBA, Inc. is composed of trustees with good educational background and experiences. Their profile itself prove that they are qualified and competent enough to serve in the association. They all possess a positive character and have the trust of partners and members that voted for them.</p> <p>Link/Reference: Profile of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf</p>	
2. Board has an appropriate mix of competence and expertise.	Compliant	<p>The Board of Trustees of CARE MBA, Inc. is composed of trustees with good educational background and experiences. Their profile itself prove that they are qualified and competent enough to serve in the association. They all possess a positive character and have the trust of partners and members that voted for them.</p> <p>Link/Reference: Profile of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf</p>	
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	<p>The qualifications of the Trustees nominated and elected to the board is included on the Association's Corporate Governance Manual, that is disclosed on the website. During the elections/re-election, the election committees assess and evaluate the candidate for Board of Trustees.</p> <p>Link/Reference: Excerpts from Corporate Governance Manual, Chapter II, Governance Structure, Section 1-The Board of Trustees https://caremba.org/wp-content/uploads/2021/04/Governance-Structure-Board-Charter.pdf</p>	
Recommendation 1.2			

	Compliant / Non-Compliant	Additional Information	Explanation
1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Board of Trustees of CARE MBA is composed of seven. Five of whom are regular Board of Trustees and two are Independent Trustees. They are all non-executive trustees.</p> <p>Link/Reference: Profile of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf</p>	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	<p>CAREMBA believes that training of trustees is important. Continuing education is an investment on their leadership and has a direct advantage on the management of the association. Thus, the board of trustess must comply with the policy on orientation and training for continuous growth and development of CARE MBA, Inc.</p> <p>Link/Reference: https://caremba.org/wp-content/uploads/2021/12/Policy-on-Orientation-and-Training-of-BOT.pdf</p>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	<p>CARE MBA conducted the orientation program for first time board of trustees last June 03, 2022 via face to face meeting. It was attended by the new set of elected trustees, the association's president, board of adviser, general manager and secretariat. The orientation was done one week after the Annual General Meeting held last May 27, 2022 via zoom videoconferencing.</p> <p>Link/Reference: Policy on Orientation and Training of the Board of Trustees. https://caremba.org/wp-content/uploads/2021/12/Policy-on-Orientation-and-Training-of-BOT.pdf</p> <p>Orientation Program for First Time Board of Trustees https://caremba.org/wp-content/uploads/2023/05/Orientation-Program-for-First-Time-BOT.pdf</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>CARE MBA Board of Trustees are continuously attending trainings and seminars relevant to the association's operation to have agility in leadership, gain motivation, confidence and pro-active approach in the business operation.</p> <p>Trainings, seminars and webinars attended by the Board of Trustees are posted on the Association's website.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		Link/Reference: Continuing Trainings and Seminars of the Board of Trustees for 2022 https://caremba.org/wp-content/uploads/2023/04/Continuing-Education-and-Trainings-of-BOT-2022.pdf	
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	CARE MBA, Inc. has seven (7) Board of Trustees. Three (3) of whom are male and four (4) are female. They all have a wide range of experiences, skills and good educational backgrounds that assist the association in performing its good governance. CARE MBA believes that the broad scope of perspective results from such diversity promotes innovation and business continuity. Managing distinction makes us more creative, flexible and competitive as a micro insurance provider. Link/Reference: Board Diversity Policy https://caremba.org/wp-content/uploads/2023/04/CARE-MBA-BOARD-DIVERSITY-POLICY.pdf	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	Compliant	The Corporate Secretary of the Association is assisting the Board of Trustees in fulfilling their duties and responsibilities. Links/References: Corporate Secretary Profile https://caremba.org/wp-content/uploads/2023/04/CORPORATE-SECRETARY.pdf CARE MBA By-laws, Article XIII Functions and Powers of Officers, Section 2. Secretary, page 9 http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer	Compliant	The Corporate Secretary of the Association is a different individual from our Compliance Officer. Links/References: Profile of the Corporate Secretary https://caremba.org/wp-content/uploads/2023/04/CORPORATE-SECRETARY.pdf Profile of the Compliance Officer	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf	
<p>3. Corporate Secretary is not a member of the Board of Directors</p>	Compliant	<p>The board of trustees re-appointed Mrs. Erlene E. Barandino as the Corporate Secretary of the association during its re-organizational structure meeting held right after the Annual General Meeting last May 27, 2022.</p> <p>Links/References: Profile of the Corporate Secretary https://caremba.org/wp-content/uploads/2023/04/CORPORATE-SECRETARY.pdf</p> <p>Minutes of the Re-organizational Meeting held last May 27, 2022 https://caremba.org/wp-content/uploads/2023/05/Re-Organizational-Meeting-Minutes-05272022.pdf</p>	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	Compliant	<p>The Corporate Secretary of the Association attended trainings on Corporate Governance, details of which are disclosed on her profile as attached below.</p> <p>Link/Reference: Profile of the Corporate Secretary https://caremba.org/wp-content/uploads/2023/04/CORPORATE-SECRETARY.pdf</p>	
Recommendation 1.6			
<p>1. Board is assisted by a Compliance Officer</p>	Compliant	<p>The Board of Trustees of CARE MBA, Inc. is assisted by the Compliance Officer with the following duties and responsibilities disclosed on the Corporate Governance Manual of the Association under Chapter II Governance Structure, No. 4. Compliance Officer</p> <p>Links/References: Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 9, The Management https://caremba.org/wp-content/uploads/2021/07/CGC-MANUAL-Governance-Structure-The-Management.pdf</p> <p>Profile of the Compliance Officer https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf</p>	
<p>2. Compliance Officer has a rank of Vice President or an equivalent position</p>	Compliant	<p>The senior officer of the Association acts as the Compliance Officer of CARE MBA, Inc.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
with adequate stature and authority in the corporation		Link/Reference: Profile of the Compliance Officer https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf	
3. Compliance Officer is not a member of the board	Compliant	The Compliance Officer of the Association is not a member of the Board of Trustees. She is a senior officer of CARE MBA, Inc. Link/Reference: Profile of the Compliance Officer https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf	
4. Compliance Officer attends training/s on corporate governance annually	Compliant	Our Compliance Officer attended training/s on corporate governance and other trainings related to update reportorial compliance of government regulated agencies Link/Reference: Profile of the Compliance Officer https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf	

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

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Board of Trustees of CARE MBA are required to act in good faith, with due diligence and care for the best interest of the Association. The notice of meeting/agenda is sent/distributed to each of the members of the BOT seven days before the actual meeting, together with the materials/documents needed for the board meeting. Attached are the board resolutions passed and approved for the year 2022 together with the minutes of meeting for the whole year. The same are adopted/implemented by the Association. Links/References: 2022 Board Resolutions https://caremba.org/wp-content/uploads/2023/05/Board-Resolutions-2022.pdf Minutes of Meeting of the Board of Trustees for year 2022 https://caremba.org/wp-content/uploads/2023/05/2022-Minutes-of-Meetings.pdf	
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	Compliant / Non-Compliant	Additional Information	Explanation
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p>CARE MBA's vision represents the Association's purpose on what it wants to achieve and reach while its mission supports its vision and provides purpose and guidelines to its employees, members, partners and all its stakeholders.</p> <p>Links/References: CARE MBA vision and mission https://caremba.org/vision-mission/</p> <p>CARE MBA philosophy of success https://caremba.org/philosophy-of-success/</p> <p>CARE MBA By-Laws : Article II-Objectives http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	<p>Attached are the adopted board resolutions for the year 2022 together with the minutes of meeting for the whole year mentioned.</p> <p>Links/References: 2022 Board Resolutions https://caremba.org/wp-content/uploads/2023/05/Board-Resolutions-2022.pdf</p> <p>Minutes of Meeting of the Board of Trustees for year 2022 https://caremba.org/wp-content/uploads/2023/05/2022-Minutes-of-Meetings.pdf</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>See attached biographical data of Mrs. Criselda R. Abuel. Her educational background and, professional experiences show that she is competent and qualified to be the head of the Board of Trustees and the President of CARE MBA, Inc.</p> <p>Link/Reference: Profile of CAREMBA, Inc. President https://caremba.org/wp-content/uploads/2023/04/PRESIDENT.pdf</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Cooperative Alliance for Responsive Endeavor Mutual Benefit Association (CARE MBA), Inc. ensures the continuity of leadership. To achieve the Association's mission, vision and goals, CARE MBA</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>developed the Succession Planning Policy for key officers and senior management.</p> <p>This policy guarantees key officers and senior management transitions will be organized and anticipated as possible, which makes it easier for CARE MBA, Inc. to create its strategic plan even if there are unforeseen circumstances in the association.</p> <p>Link/Reference: Succession Planning Policy https://caremba.org/wp-content/uploads/2021/12/Succession-Planning-Policy-12022021.pdf</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	Compliant	<p>CARE MBA has no retirement policy for the Board of Trustees because the Trustees do not receive any remuneration for their services rendered to the association.</p> <p>For key officers from the Management, cessation of employment due to compulsory retirement (upon reaching 60 years old), shall be covered under the procedures on existing law on retirement benefit and administration.</p> <p>Link/reference: Retirement of key officers is included in the Association's HR Manual on Section 1.05 Post Employment, page 15. https://caremba.org/wp-content/uploads/2021/07/Excerpts-from-HRM-Manual-CAREMBA-Retirement-Policy-.pdf</p>	
Recommendation 2.5			
<p>1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.</p>	Compliant	<p>CARE MBA is a non-stock, non-profit Association owned and managed by its members. Thus, the members of the Board of Trustees do not receive any remuneration.</p> <p>The key officers have annual performance evaluation. (See attached)</p> <p>Link/Reference: Performance Evaluation of the Board of Trustees https://caremba.org/wp-content/uploads/2023/05/BOT-2022-ASSESSMENT.pdf</p> <p>Performance Evaluation of the General Manager</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Board of Trustees does not receive any remuneration. The Board of Trustees aligns the remuneration of the management, staff and its key officers.</p> <p>Link/Reference: Articles of Incorporation, Article sixth http://caremba.org/wp-content/uploads/2019/11/Amended_AI2018.pdf</p> <p>See attached remuneration and performance evaluation of CAREMBA's key officers. https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf</p>	
3. Directors do not participate in discussion or deliberations involving his/her own remuneration.	Compliant	<p>The members of the Board of Trustees do not receive any remuneration.</p> <p>Link/Reference: Articles of Incorporation, Article sixth http://caremba.org/wp-content/uploads/2019/11/Amended_AI2018.pdf</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>CARE MBA, Inc. has a separate Election Guidelines aligned with its Corporate Governance Manual that includes the process of Board nomination and election. The qualifications and disqualifications of candidates are also indicated in the Election Guidelines as well as the whole election process.</p> <p>Link/Reference: CAREMBA Election Guidelines https://caremba.org/wp-content/uploads/2020/07/Election-Guidelines.pdf</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>Our Association has its own separate Election Policy Guidelines disclosed in our association's website, aligned to the Manual on Corporate Governance and By-Laws.</p> <p>Link/Reference: CAREMBA Election Guidelines https://caremba.org/wp-content/uploads/2020/07/Election-Guidelines.pdf</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	CARE MBA Election Guidelines, disclosed how the Association accepts nominations from its partners. It can be found on Section 4. General Consideration Accepting Candidacy, page 1 of the Election Guidelines. Link/Reference: CAREMBA Election Guidelines https://caremba.org/wp-content/uploads/2020/07/Election-Guidelines.pdf	
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant	The Nomination Committee reviewed the qualifications and disqualifications of nominated candidates. Link/Reference: CAREMBA By-laws Article VI-Nomination Committee, page 5 http://caremba.org/wp-content/uploads/2019/11/Amended_AI2018.pdf	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	CARE MBA, Inc. has its own Election Committee with members who are elected during its Annual General Meeting. They are in-charge of the Board's processes in the nomination, election or replacement of a trustee. Assessment of the effectiveness of said processes is deemed conducted upon review yearly by the incumbent elected members of the Election Committee. Link/Reference: CAREMBA Election Guidelines https://caremba.org/wp-content/uploads/2020/07/Election-Guidelines.pdf	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	The Election Guidelines of CARE MBA, disclosed the qualifications of Board of Trustees that are needed for the good governance of the Association. Link/Reference: CARE MBA Election Guidelines, Section 6. Qualifications and Disqualifications of Candidates, page 2. https://caremba.org/wp-content/uploads/2020/07/Election-Guidelines.pdf	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide	Compliant	CARE MBA Board crafted the Related Party Transaction Policy to ensure that there is a group-wide policy and system governing	

	Compliant / Non-Compliant	Additional Information	Explanation
policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.		related party transactions (RPTs) and other unusual or infrequently occurring transactions. Link/Reference: Policy on Related Party Transactions https://caremba.org/wp-content/uploads/2021/07/Policy-Related-Party-Transaction.pdf	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The Related Party Transaction Committee is the one responsible in handling and reviewing all material Related Party Transactions of the Association which guarantee fairness and transparency of the transactions. The policy disclosed that the RPT Committee is the one who handles it with the approval and corrective measures if needed to be checked by the Board of Trustees. Link/Reference: Policy on Related Party Transactions https://caremba.org/wp-content/uploads/2021/07/Policy-Related-Party-Transaction.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Considering the nature and size of CARE MBA, Inc. its RPT policy is simple that is only appropriate to its area of operation. Link/Reference: Policy on Related Party Transactions https://caremba.org/wp-content/uploads/2021/07/Policy-Related-Party-Transaction.pdf	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)	Compliant	The Board of Trustees of CARE MBA is mainly responsible for the selection and appointment of General Manager and other key officers. Links/References: Excerpts from CAREMBA By-Laws pages 10-12 http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf Organizational Structure https://caremba.org/wp-content/uploads/2023/05/CAREMBAI-Organizational-Structure-Staff.pdf	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive	Compliant	The Board of Trustees of CARE MBA is responsible for the regular assessment of the Management's performance. The General Manager including its key officers are being evaluated by the BOT to	

	Compliant / Non-Compliant	Additional Information	Explanation
Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		<p>accordingly comply with the Association's core values and philosophy of success.</p> <p>The performance appraisal is done annually to provide feedback about job performances and to contribute to professional development of employees.</p> <p>Link/Reference: Performance Evaluation of the General Manager https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is a part with the standards set by the Board and Senior Management.	Compliant	<p>The Board of Trustees establishes an effective performance management framework. It is measured annually by doing the performance appraisal to provide feedback about job performances and to contribute to professional development of employees.</p> <p>Link/Reference: Performance Evaluation of the General Manager https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf</p>	
2. Board establishes an effective performance management framework that ensures personnel's performance is a par with the standards set by the Board and Senior Management.	Compliant	<p>The Board of Trustees measured the performance of management through annual performance evaluation of employees.</p> <p>Link/Reference: Excerpts from Human Resource Manual, Article 1. Performance Development https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place,	Compliant	<p>The Board of Trustees is mainly responsible for the appropriate internal control system of CARE MBA, Inc. They are the one who monitor the control environment and control activities of the Association. They are also in charge of the segregation of duties of employees. When work and duties are divided or segregated among staff, it will lessen errors or mistakes. The policies and procedures are also being implemented by the Board of Trustees to comply with the philosophy of success and core values of the Association.</p> <p>Links/References:</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 1. The Board of Trustees, No. 6. Internal Control Responsibilities of the Board https://caremba.org/wp-content/uploads/2021/03/Internal-Control-Responsibility-of-the-Board.pdf</p> <p>Policy on Codified Approving Signing Authority (CASA) https://caremba.org/wp-content/uploads/2021/07/CASA-of-CARE-Revised2021.pdf</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>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 CARE MBA, Inc.</p> <p>Links/References: Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 1. The Board of Trustees, No. 6. Internal Control Responsibilities of the Board https://caremba.org/wp-content/uploads/2021/03/Internal-Control-Responsibility-of-the-Board.pdf 0</p> <p>Policy on Codified Approving Signing Authority (CASA) https://caremba.org/wp-content/uploads/2021/07/CASA-of-CARE-Revised2021.pdf</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>The board of trustees of CARE MBA, Inc. appointed Mrs. Melody L. Bringel as the Internal Auditor of the association ratified by Board Resolution No. 033-2021 during the regular meeting of the board of trustees held last November 22, 2021.</p> <p>Links/References: Excerpts from the Minutes of regular board meeting held last November 22, 2021, Board Resolution No. 033-2021 - A Resolution Appointing Melody L. Bringel as Internal Auditor of CARE MBA, Inc., page 7 https://caremba.org/wp-content/uploads/2022/05/Minutes-November-2021-Appointment-of-the-Internal-Auditor.pdf</p> <p>Excerpts from Corporate Governance Manual, Chapter II, Governance Structure, Section 10. The Internal Auditor https://caremba.org/wp-content/uploads/2022/05/Internal-Auditor-Excerpts-from-CGC.pdf</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
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	CARE MBA, Inc. created the Enterprise Risk Management Manual to prepare the management and staff to have a consistent and comprehensive risk management which includes identifying, evaluating and controlling possible risks of the association. Link/Reference: Enterprise Risk Management Manual https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	The Board Risk Oversight Committee identified the internal (people, process and system) and external risks, with corresponding action plans to mitigate the potential risks of the association. Links/References: Identification of Risks (External and Internal) https://caremba.org/wp-content/uploads/2023/04/Identification-of-Risks-External-and-Internal-year-2022.pdf Enterprise Risk Management Manual https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf	
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	The Board Charter is disclosed in the Corporate Governance Manual, where the roles and responsibilities that must performed in order to comply with CAREMBA's philosophy of success are clearly stated. Link/Reference: Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 1. The Board of Trustee https://caremba.org/wp-content/uploads/2021/04/Governance-Structure-Board-Charter.pdf	
2. Board Charter serves a guide to the directors in the performance of their functions.	Compliant	The Board Charter serves as guide to the Board of Trustees in the performance of their duties and responsibilities. The said document vividly described the respective roles of the BOT, individually and collectively. The Board of Trustees of CARE MBA shall perform and follow the standards written in the Association's board charter. Link/Reference:	

	Compliant / Non-Compliant	Additional Information	Explanation
		Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 1. The Board of Trustee https://caremba.org/wp-content/uploads/2021/04/Governance-Structure-Board-Charter.pdf	
3. Board Charter is publicly available and posted on the company's website.	Compliant	The Board Charter of the Association serve as a guide to its Board of Trustees in the performance of their duties and responsibilities and is publicly available and posted on CAREMBA's website. Links/References: CAREMBA website http://caremba.org/ Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 1. The Board of Trustee https://caremba.org/wp-content/uploads/2021/04/Governance-Structure-Board-Charter.pdf	

Principle 3 Board Committees should set up to the extent possible support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition function and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendations 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	CARE MBA Committees have their own duties and responsibilities that they must follow as disclosed in the Corporate Governance Manual of the Association. These Committees addressed relevant issues and make recommendations to the Board of Trustees for action and approval. Link/Reference: Excerpts from the Corporate Governance Manual, Chapter II Governance Structure, Section 5. Committees of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/Committees-of-the-Board-of-Trustees.pdf	
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Recommendations 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	CARE MBA has its Audit Committee that is assigned for the oversight of the financial reporting, audit process and selection of the internal and external auditor of the Association. They recommend the appointment of the internal and external auditor of CARE MBA, Inc. Link/Reference:	
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	Compliant / Non-Compliant	Additional Information	Explanation
		Terms of Reference Audit Committee https://caremba.org/wp-content/uploads/2023/04/TOR-Audit-and-Related-Party-Transaction-Committees.pdf	
2. Audit Committee is composed of at least three appropriate qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The Audit Committee of CARE MBA, Inc. is composed of non-executive Board of Trustees three (3) of whom are Certified Public Accountants. The committee is headed by an independent trustee. They are all well-versed in finance and with excellent accounting backgrounds. Our association selected past Board of Trustees in order to produce honest and accurate reports. Link/Reference: Profile of the Audit Committee Members https://caremba.org/wp-content/uploads/2023/04/AUDIT-AND-RPT-COMMITTEE.pdf	
3. All the members of the committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.	Compliant	CARE MBA's Audit Committee is composed of five (5) members, three (3) of whom are Certified Public Accountants, including its Chairperson. The Chairperson-Mrs. Marilou S. Diaz, CPA is an Independent Trustee. All Committee members have excellent background, knowledge, skills and experience in the areas of accounting, auditing and finance. Link/Reference: Profile of the Audit Committee Members https://caremba.org/wp-content/uploads/2023/04/AUDIT-AND-RPT-COMMITTEE.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Considering the nature and size of our Association, CARE MBA has only two (2) Independent Trustees. Mrs. Mariolu S. Diaz, CPA is the Chairperson of the Audit and Related Party Transactions Committee. Mrs. Diaz is not the chairman of the board or any other committee. Link/Reference: Profile of the Chairperson of the Audit Committee https://caremba.org/wp-content/uploads/2023/04/CHAIRPERSON-AUDIT-AND-RPT-COMMITTEE.pdf	
Recommendations 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a	Compliant	CARE MBA, Inc. has a Corporate Governance Committee assigned to assist the Board in the performance of its corporate governance responsibilities. The governance committee is accountable for the board's and the company's governance guidelines and policies. Corporate Governance Committee members have a good educational attainment, competent with wide range of understanding	

	Compliant / Non-Compliant	Additional Information	Explanation
Nomination and Remuneration Committee.		<p>of its products and services. They possessed integrity that is expected for a good leader of the association.</p> <p>Link/Reference: Terms of Reference of the Corporate Governance Committee https://caremba.org/wp-content/uploads/2023/04/TOR-Corporate-Governance-Committee.pdf</p>	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	<p>The Corporate Governance Committee of CARE MBA, Inc. is composed of five (5) members. The Chairperson of the Committee is a non-executive trustee and an Independent Trustee and its two (2) members are non-executive trustee. The other two (2) members are former Independent Trustee and the Chairperson of the Election Committee. They all have a good educational attainment, competent with wide range of understanding of CARE MBA's products and services.</p> <p>Link/Reference: Profile of the Corporate Governance Committee Members https://caremba.org/wp-content/uploads/2023/05/CORPORATE-GOVERNANCE-COMMITTEE.pdf</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>The Chairperson of the Corporate Governance Committee is an Independent Trustee and a non-executive trustee. Mr. Gaudioso A. Lavadia has an excellent educational background and has a broad professional experiences.</p> <p>Link/Reference: Profile of Chairperson of the Corporate Governance Committee https://caremba.org/wp-content/uploads/2023/04/CHAIRPERSON-CORPORATE-GOVERNANCE-COMMITTEE.pdf</p>	
Recommendations 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	<p>CARE MBA, Inc. has its Board Risk Oversight Committee that is responsible for defining CARE MBA's level of risk tolerance and providing oversight over its risk management policies and procedures. They make recommendation to the Board of Trustees on how to solve, minimize and control potential risks to the association's operational and financial viability.</p> <p>Link/Reference: Terms of Reference Board Risk Oversight Committee</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/04/TOR-Board-Risk-Oversight-Committee.pdf	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>The Board Risk Oversight Committee of CARE MBA, Inc. is composed of five (5) members. The Chairperson of the Committee is an Independent Trustee and its members are all non-executive trustee. They all have a good educational attainment, competent with wide range of understanding of CARE MBA's products and services.</p> <p>Link/Reference: Profile of the Board Risk Oversight Committee Members https://caremba.org/wp-content/uploads/2023/04/BOARD-RISK-OVERSIGHT-COMIITTEE.pdf</p>	
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	Compliant	<p>The Chairperson of the Board Risk Oversight Committee-Mr. Gaudioso A. Lavadia, is an Independent Trustee and not the Chairman of the Board of Trustees.</p> <p>Link/Reference: Profile of the Chairperson of the Board Risk Oversight Committee https://caremba.org/wp-content/uploads/2023/04/CHAIRPERSON-BOARD-RISK-OVERSIGHT-COMIITTEE.pdf</p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>The Chairperson of the Board Risk Oversight Committee-Mr. Gaudioso A. Lavadia has a relevant thorough knowledge and experience on risk management. He had a twenty seven (27) years of solid banking and finance background that started since 1994 until his retirement on Cooperative Bank of Quezon Province (CBQP) on year 2021.</p> <p>Link/Reference: Profile of the Chairperson of the Board Risk Oversight Committee https://caremba.org/wp-content/uploads/2023/04/CHAIRPERSON-BOARD-RISK-OVERSIGHT-COMIITTEE.pdf</p>	
Recommendations 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>CARE MBA, Inc. has its Related Party Transaction Committee that is duly authorized by the Board to consider, review, evaluate and provide oversight in relation to any Related Party Transactions of the association. The Board of Trustees of CARE MBA, Inc. unanimously agreed that the Related Party Transactions Committee and Audit Committee will be combined/merged with the same members.</p> <p>Link/Reference: Terms of Reference of Related Party Transaction Committee</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/04/TOR-Audit-and-Related-Party-Transaction-Committees.pdf	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	<p>The Related Party Transaction Committee is composed of five members. Its Chairperson is an Independent Trustee. During the meeting of RPT Committee held on 09-04-2020, via zoom videoconferencing, they unanimously agreed that RPT Committee, will be combined/merged with Audit Committee. Thus, Mrs. Marilou S. Diaz-Independent Trustee will be the Chairperson of both Committees.</p> <p>Link/Reference: Profile of the Related Party Transaction Committee Members https://caremba.org/wp-content/uploads/2023/04/AUDIT-AND-RPT-COMMITTEE.pdf</p>	
Recommendations 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, membership, structures, operations, reporting process, resources and other relevant information.	Compliant	<p>CARE MBA, Inc. has its Committee Charter that defines its roles and responsibilities as well as the mission, composition, responsibilities, and other relevant information of the committee. The committee functions are disclosed on the Corporate Governance Manual of the Association and is posted on its website.</p> <p>Link/Reference: Excerpts from the Corporate Governance Manual, Chapter II Governance Structure, Section 5. Committees of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/Committees-of-the-Board-of-Trustees.pdf</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>See attached performance evaluation of Committee members for their performance for the year 2022</p> <p>Links/References: Audit & RPT Committee https://caremba.org/wp-content/uploads/2023/05/AUDIT-RPT-2022-ASSESSMENT.pdf</p> <p>Board Risk Oversight Committee https://caremba.org/wp-content/uploads/2023/05/BROC-2022-ASSESSMENT.pdf</p> <p>Corporate Governance Committee</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/05/CORPORATE-GOVERNANCE-2022-ASSESSMENT.pdf Election Committee https://caremba.org/wp-content/uploads/2023/05/ELECOM-Performance-Evaluation-2022.pdf	
3. Committee Charters were fully disclosed on the company's website.	Compliant	The Committee charter is disclosed on the Association's Corporate Governance Manual and being posted on the Associations website under Corporate Governance, Governance Manual, Committees of the Board of Trustees. Links/References: CAREMBAI website http://caremba.org/ Excerpts from the Corporate Governance Manual, Chapter II Governance Structure, Section 5. Committees of the Board of Trustees https://caremba.org/wp-content/uploads/2023/04/Committees-of-the-Board-of-Trustees.pdf	

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.

Recommendations 4.1

1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Due to sudden transition to virtual meetings, caused by the unexpected COVID-19 pandemic, our Association is implementing the videoconferencing as an alternative to face to face meetings. The Board of Trustees of CAREMBA are actively participating on their regular meetings through video conferencing. Links/References: Internal Procedures for the Conduct of Meetings through Remote Communication https://caremba.org/wp-content/uploads/2021/05/Internal-Procedures-for-the-Conduct-of-Meetings.pdf Board of Trustees and Committee Members Attendance during Meetings via Videoconferencing https://caremba.org/wp-content/uploads/2023/05/Meetings-Attendance..pdf	
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	Compliant / Non-Compliant	Additional Information	Explanation
2. The directors review meeting in materials for all Board and Committee meetings.	Compliant	<p>The Board of Trustees are provided the notice of meeting/agenda and other related materials within five (5) days prior to the board and committee meetings to give them sufficient time to review the said materials beforehand.</p> <p>Links/References: Notice of Meetings/Agenda</p> <p>Notice of Meeting/Agenda of Regular Meeting https://caremba.org/wp-content/uploads/2023/04/BOT-AGENDA-06242022.pdf</p> <p>Notice of Meeting/Agenda of Corporate Governance Committee https://caremba.org/wp-content/uploads/2023/04/Corp.-Gov.-Com.-Agenda.pdf</p> <p>Notice of Meeting/Agenda of Audit & RPT Committee https://caremba.org/wp-content/uploads/2023/04/Audit-RPT-AGENDA.pdf</p> <p>Notice of Meeting/Agenda of Board Risk Oversight Committee https://caremba.org/wp-content/uploads/2023/05/BROC-AGENDA.pdf</p>	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>See attached minutes of meetings of Corporate Governance Committee and Board Risk Oversight Committees with some discussions and queries raised by members during videoconferencing.</p> <p>Links/References: Minutes of Meeting of Corporate Governance Committee https://caremba.org/wp-content/uploads/2023/04/Corp.-Gov.-Com.-Minutes-of-Meeting-06222022.pdf</p> <p>Minutes of Meeting Board Risk Oversight Committee Meeting https://caremba.org/wp-content/uploads/2023/05/BROC-Minutes.pdf</p>	
Recommendations 4.1			
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	Compliant	To fulfill the duties and responsibilities and to give enough time to focus and concentrate their work as Board of Trustees, CARE MBA officers have zero to one other trusteeship to another institution.	

	Compliant / Non-Compliant	Additional Information			Explanation
proposals/views and oversee the long-term strategy of the company.		Names	Position at CAREMBA	No. of Other Directorship/s	
		Criselda R. Abuel	President	-	
		Luzviminda G. Calzado	Vice-President	1	
		Perseverando C. Fajardo	Treasurer	-	
		Rebecaa O. Rufo	Trustee	1	
		Armiel A. Azul	Trustee	-	
		Gaudioso A. Lavadia	Independent Trustee	1	
		Marilou S. Diaz	Independent Trustee	-	
Recommendations 4.3		Link/Reference: Profile of the Board of Trustees of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in other company.	Compliant	The Board of Trustees Biographical Data disclosed their trusteeship to other companies. Link/Reference: See attached biological data of our Board of Trustees that disclosed their trusteeship to other companies. https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf			
Principle 5: The board should endeavor to execute an objective and independent-judgment on all corporate affairs.					
Recommendations 5.1					
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	CAREMBA has seven (7) Board of Trustees, two (2) of whom are Independent that makes a total of 29% Independent Trustees. Link/Reference: List of Board of Trustees 2022-2023 https://caremba.org/board-of-trustee/			
Recommendations 5.2					
1. The independent directors possess all the necessary qualifications and none of all the disqualifications to hold the position.	Compliant	The qualifications of Independent Trustee as well as its term limit are disclosed on CAREMBA's Corporate Governance Manual that is posted to the Association's website. Link/Reference: Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 2. Independent Trustee https://caremba.org/wp-content/uploads/2021/04/Independent-Trustee.pdf			

	Compliant / Non-Compliant	Additional Information	Explanation
Recommendations 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</p> <p>For 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>	Compliant	<p>The Association has two (2) Independent Trustees. CARE MBA, Inc.is following the guidelines of Insurance Commission that Independent Trustee will serve for a maximum cumulative term of nine (9) years.</p> <p>Links/References: See attached profile of CAREMBA's Independent Trustees https://caremba.org/wp-content/uploads/2023/05/Profile-of-Independent-Trustees.pdf</p> <p>Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 2. Independent Trustee https://caremba.org/wp-content/uploads/2021/04/Independent-Trustee.pdf</p>	
<p>2. The company bans an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	<p>CARE MBA has two (2) Independent Trustees that were elected by the representatives/members during its Annual General Meeting. They serve for a period of three (3) years for a maximum of three (3) consecutive terms which make a cumulative period of nine (9) years for every Independent Trustee that will serve in the Association.</p> <p>Link/Reference Excerpts from Corporate Governance Manual, Chapter II Governance Structure, Section 2. Independent Trustee https://caremba.org/wp-content/uploads/2021/04/Independent-Trustee.pdf</p>	
<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 seek shareholders' approval during the annual shareholders' meeting.</p>	Compliant	<p>We have never experienced or encountered such situation that an Independent Trustee remains in the Association even after nine (9) years of service. CARE MBA is complying the guidelines of Insurance Commission that an Independent Trustee will only serve for a maximum cumulative term of nine years.</p>	
Recommendations 5.4			
<p>1. The position of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	Compliant	<p>The Chairman/President of the Board of Trustees is Mrs. Criselda R. Abuel while the General Manager is Mrs. Pelagia C. Mendones. The</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>position of the Chairman of the Board and Chief Executive Officer/General Manager are held by two separate individuals.</p> <p>Links/References: Profile of the President https://caremba.org/wp-content/uploads/2023/04/PRESIDENT.pdf</p> <p>Profile of the General Manager: https://caremba.org/wp-content/uploads/2023/04/GENERAL-MANAGER.pdf</p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>The Chairman/President of the Board of Trustees is Mrs. Criselda R. Abuel and serves as the President of CARE MBA, Inc. with designated duties and responsibilities as disclosed in the Corporate Governance Manual, Chapter II Governance Structure, Section 3. Officers of the Board.</p> <p>Link/Reference: Excerpts from CG Manual, Chapter II Governance Structure, Section 3. Officers of the Board. https://caremba.org/wp-content/uploads/2021/04/CGC-MANUAL-Governance-Structure-Officers-of-the-Board.pdf</p> <p>The Chief Executive Officer/General Manager of CARE MBA, Inc. is Mrs. Pelagia C. Mendones. Her specific duties and responsibilities are disclosed in the Corporate Governance Manual, Chapter II Governance Structure, Section 9. The Management.</p> <p>Link/Reference: Excerpts from CG Manual Chapter II Governance Structure, Section 9. The Management. https://caremba.org/wp-content/uploads/2021/04/CGC-MANUAL-Governance-Structure-The-Management.pdf</p> <p>The position of the Chairman of the Board and Chief Executive Officer/General Manager are held by two separate individuals.</p>	
<p>Recommendation 5.5</p>			
<p>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</p>	<p>Compliant</p>	<p>The Chairman of the Board of Trustees and the CEO/General Manager are being held by two different person. The Chairman of the Board of Trustees and serves as the President of CARE MBA, Inc. is Mrs. Criselda R. Abuel while the CEO/General Manager of the Association is Mrs. Pelagia C. Mendones.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
designate a lead director among the independent directors.		<p>The Chairman of the Board/President is not an Independent Trustee.</p> <p>LinksReferences: Profile of the President of CARE MBA, Inc https://caremba.org/wp-content/uploads/2023/04/PRESIDENT.pdf</p> <p>Profile of the General Manager of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2023/04/GENERAL-MANAGER.pdf</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	The Board of Trustees of CARE MBA has no conflict nor material interest in any transactions inside the Association.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	<p>There is a separate periodic meeting with the external auditor and head of the Audit Committee and Compliance Officer through video conferencing. The report and recommendations of the external auditor is presented to Audit Committee's Chairperson. The result of their meet-up is being discussed during BOTs meeting.</p> <p>Link/Reference: Letter of Recommendations from Quilab and Garsuta CPAs https://caremba.org/wp-content/uploads/2023/05/Letter-of-Recommendations-to-CARE-MBA-Inc.-Audit-Year-Dec.-31-2022.pdf</p>	
2. The meetings are chaired by the lead independent director.	Compliant	<p>The Chairperson of Audit Committee, Compliance Officer and External Auditor done their meeting through video conferencing. The result and recommendations of meeting was forwarded to the Board of Trustees for action.</p> <p>Link/Reference: Letter of Recommendations from Quilab and Garsuta CPAs https://caremba.org/wp-content/uploads/2023/05/Letter-of-Recommendations-to-CARE-MBA-Inc.-Audit-Year-Dec.-31-2022.pdf</p>	
Principle 6: The best measure of the Board's effectiveness is 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			

	Compliant / Non-Compliant	Additional Information	Explanation
1. The Board conducts an annual assessment of its performance as a whole.	Compliant	<p>The Board of Trustees conducted an annual review of their performance. It is called the Board Self-Assessment, where they evaluate their accomplishments and achievements annually.</p> <p>Links/References: Performance Evaluation of the Board of Trustees https://caremba.org/wp-content/uploads/2023/05/BOT-2022-ASSESSMENT.pdf</p> <p>Excerpts from Corporate Governance Manual Chapter VII Performance Evaluation Section 1. Board and Committee Performance Evaluation https://caremba.org/wp-content/uploads/2021/06/Performance-Evaluation-CGC.pdf</p>	
2. The performance of the Chairman is assessed annually by the Board.	Compliant	<p>The performance of the President of CARE MBA, Inc. is evaluated by the Board of Trustees.</p> <p>Link/Reference: Performance Evaluation of CARE MBA President https://caremba.org/wp-content/uploads/2023/05/President-Performance-Evaluation-2022.pdf</p>	
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant	<p>While the performance of the Board of Trustees are being assessed by the Corporate Governance Committee in coordination with the General Manager and the Compliance Officer. The said Board Self-Assessments are posted on the Association's website that are publicly available for viewing of the Securities and Exchange Commission and the Insurance Commission.</p> <p>Link/Reference: Performance Evaluation of the Board of Trustees https://caremba.org/wp-content/uploads/2023/05/BOT-2022-ASSESSMENT.pdf</p>	
4. The performance of each committee is assessed annually by the Board.	Compliant	<p>Each committee members was given a performance evaluation via Google form and they submitted them on time. The management summarized the result of their assessment duly verified by the Corporate Governance Committee as follows:</p> <p>Links/References: Performance Evaluation of Committee Members</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>Election Committee https://caremba.org/wp-content/uploads/2023/05/ELECOM-Performance-Evaluation-2022.pdf</p> <p>Audit & Related Party Transactions Committee https://caremba.org/wp-content/uploads/2023/05/AUDIT-RPT-2022-ASSESSMENT.pdf</p> <p>Corporate Governance Committee https://caremba.org/wp-content/uploads/2023/05/AUDIT-RPT-2022-ASSESSMENT.pdf</p> <p>Board Risk Oversight Committee https://caremba.org/wp-content/uploads/2023/05/BROC-2022-ASSESSMENT.pdf</p>	
<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>Compliant</p>	<p>CARE MBA, Inc. have an external facilitator who evaluated the performance of the Board of Trustees every three years. In coordination with MIMAP-RIMANSI, we had an external facilitator who reviewed the manuals and policies of CARE MBA. He also served as the facilitator of the Association's three-year Strategic Planning for 2019-2022.</p> <p>Links/references: Result of three-year strategic Planning https://caremba.org/wp-content/uploads/2021/07/Result-of-Strategic-Planning-HOUSE-02.19.2019.pdf</p> <p>Strategic Planning with External Facilitator https://caremba.org/wp-content/uploads/2021/07/Strategic-Planning-Jan.-2019-1.pdf</p>	
Recommendation 6.2			
<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	<p>Compliant</p>	<p>The performance of the Board of Trustees is measured and done by board Self-Assessment. The Board Self-Assessment are posted on the Association's website for public viewing of our stakeholders.</p> <p>Links/References: Performance Evaluation of the Board of Trustees https://caremba.org/wp-content/uploads/2023/05/BOT-2022-ASSESSMENT.pdf</p> <p>Excerpts from CG Manual, Chapter VI, Disclosure and Transparency</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2021/07/CG-Manual-Disclosure-and-Transparency-.pdf	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	Compliant	<p>The Association welcomes feedback mechanism from our partners, members and stakeholders. They can reach us by contacting our given telephone and e-mail address that are also disclosed in CAREMBA's website.</p> <p>Links/References: CAREMBA website https://caremba.org/contact-us/</p> <p>Excerpts from CG Manual, Chapter VI, Disclosure and Transparency https://caremba.org/wp-content/uploads/2021/07/CG-Manual-Disclosure-and-Transparency-.pdf</p>	
<p>Principle 7: Members of the board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<p>1. Board adopts a Code of Business Conduct and Ethics which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	Compliant	<p>CARE MBA, Inc. has its Code of Ethics and Conduct aligned to the Association's core values and philosophy of success that must be followed by its members, Board of Trustees, officers and its employees.</p> <p>Links/References: Code of Conduct and Ethics of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf</p> <p>Code of Ethics and Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.pdf</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	Compliant	<p>The Code of Ethics and Conduct is properly disseminated to the Board of Trustees during orientation for new set of Trustees. It is also given to newly hired employees upon introduction and office orientation.</p> <p>Links/References: Orientation of the New Set of Board of Trustees https://caremba.org/wp-content/uploads/2023/05/Orientation-Program-for-First-Time-BOT.pdf</p> <p>Code of Conduct and Ethics of CARE MBA, Inc.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2022/05/Code-of-Conduct-and-Ethics-of-CARE-MBA.pdf https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf Code of Ethics and Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.pdf	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	Compliant	<p>The Code of Ethics and Conduct is publicly available to the Association’s website for public viewing and readily available to its members, board of trustees, officers, employees or even its stakeholders.</p> <p>Links/References: CAREMBA website http://caremba.org/</p> <p>Code of Conduct and Ethics of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2022/05/Code-of-Conduct-and-Ethics-of-CARE-MBA.pdf https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf Code of Ethics and Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.pdf</p>	
Recommendation 7.2			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	Compliant	<p>The Board of Trustees recommends full compliance with the Code of Ethics and Conduct through Ethics Committee that is mainly responsible to implement the code. The newly elected Board of Trustees and newly hired employees were given a copy of this code during their orientation and familiarization to CARE MBA, Inc. It is being discussed and presented during the process of orientation. Any violation of the Code will be acted upon the recommendation of the Ethics Committee to the Board of Trustees.</p> <p>Links/References: Orientation of the New Set of Board of Trustees</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/05/Orientation-Program-for-First-Time-BOT.pdf Code of Conduct and Ethics of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2022/05/Code-of-Conduct-and-Ethics-of-CARE-MBA.pdf https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf Code of Ethics and Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.pdf	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	Compliant	<p>The Board of Trustees through the Management guarantees the effective implementation and compliance with the Association’s internal policies. If there shall be any violation with the Code of Ethics and Conduct or any internal policies, the assigned Committee shall handle and investigate. Upon thorough discussion and deliberation, they will recommend action plans to the Board of Trustees during its regular meeting.</p> <p>LinksReferences: Code of Conduct and Ethics of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2022/05/Code-of-Conduct-and-Ethics-of-CARE-MBA.pdf https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf Code of Ethics and Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.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.			
Recommendations 8.1			
<p>1. 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</p>	Compliant	<p>The Association’s Annual Report provides relevant information on the Association’s operations and financial activities over the past year. The said report is issued to our partners through their representatives during the Annual General Meeting. It can also be seen and downloaded by the stakeholders through the Association’s website.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
financial condition, results and business operations.		Link/Reference: https://caremba.org/wp-content/uploads/2023/05/ANNUAL-REPORT-2022.pdf	
Recommendations 8.2			
1. Board fully discloses all relevant and material information in individual board members to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.	Compliant	All important and relevant information of the Board of Trustees are posted on the Association's website for transparency and public viewing of its stakeholders. Link/Reference: Profile of The Board of Trustees of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2023/04/BOT-Profile-2022.pdf	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.	Compliant	All important and relevant information of the key officers of CARE MBA are posted on the Association's website for transparency and public viewing of its stakeholders. Links/References: Profile of the General Manager: https://caremba.org/wp-content/uploads/2023/04/GENERAL-MANAGER.pdf Profile of the Compliance Officer: https://caremba.org/wp-content/uploads/2023/04/COMPLIANCE-OFFICER.pdf	
Recommendations 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	The Board of Trustees does not receive any remuneration. Link/Reference: Articles of Incorporation, Article Sixth in page 2 http://caremba.org/wp-content/uploads/2019/11/Amended_AI2018.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the	Compliant	Links/References:	

	Compliant / Non-Compliant	Additional Information	Explanation
<p>level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>		<p>Performance Evaluation of the General Manager https://caremba.org/wp-content/uploads/2023/05/Performance-Evaluation-GM.pdf</p> <p>Excerpts from Minutes of Regular Meeting of the Board of Trustees, dated May 19, 2022 Board Resolution No. 018-2022, Approval of Salary Grade and Step Increment 2022 https://caremba.org/wp-content/uploads/2023/05/Excerpts-from-Minutes-of-May-19-2022-Meeting-Approval-of-Salary-Grade-and-Step-Increment-2022.pdf</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	Compliant	<p>Links References:</p> <p>Excerpts from CAREMBA Human Resource Manual, Article 1. Performance Development https://caremba.org/wp-content/uploads/2021/07/HR-Manual-Performance-Evaluation.pdf</p> <p>Excerpts from Minutes of Regular Meeting of the Board of Trustees, dated May 19, 2022 Board Resolution No. 018-2022, Approval of Salary Grade and Step Increment 2022 https://caremba.org/wp-content/uploads/2023/05/Excerpts-from-Minutes-of-May-19-2022-Meeting-Approval-of-Salary-Grade-and-Step-Increment-2022.pdf</p> <p>Excerpts from Human Resource Manual, Section 1.01 Post Employment https://caremba.org/wp-content/uploads/2021/07/Excerpts-from-HRM-Manual-CAREMBA-Retirement-Policy-.pdf</p>	
<p>Recommendations 8.4</p>			

	Compliant / Non-Compliant	Additional Information	Explanation
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>CAREMBA, Inc. has its Policy on Related Party Transaction posted on the Association's website. It is also included in the Corporate Governance Manual for proper compliance. The policy disclosed that In any case that a member of the Related Party Transaction Committee has a conflict of interest in a particular RPT, he/she should abstain from participation in the discussion of the transaction's approval.</p> <p>Link/Reference: Policy on Related Party Transactions https://caremba.org/wp-content/uploads/2021/07/Policy-Related-Party-Transaction.pdf</p>	
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 majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	<p>The Association disclosed the summary of Material Party Related Transactions on its Annual Report -Notes To Financial Statement on Note 18 pages 64-65</p> <p>Link/Reference: Excerpts 2022 Annual Report, Note 18 https://caremba.org/wp-content/uploads/2023/05/AFS-NOTE-18-Related-Party-Transactions.pdf</p>	
Recommendations 8.5			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	Compliant	<p>CARE MBA's Corporate Governance Manual, disclosed the governance policies and procedures of the Association.</p> <p>Link/Reference: Corporate Governance Manual https://caremba.org/wp-content/uploads/2023/04/Revised-Corporate-Governance-Manual-07142022.doc222.pdf</p>	
2. Company's MCG is posted on its company's website.	Compliant	<p>The Corporate Governance Manual is posted on the Association's website for public viewing of the members, partners and all its stakeholders.</p> <p>Links/References: CAREMBA website http://caremba.org/</p> <p>Corporate Governance Manual</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/04/Revised-Corporate-Governance-Manual-07142022.doc222.pdf	
<p>Principle 9: Board fully discloses all relevant and material information in individual board members to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.</p>			
<p>Recommendations 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, re-appointment, removal and fees of the external auditors.</p>	<p>Compliant</p>	<p>The Board of Trustees during their board meeting approved the recommendation of the Audit and Related Party Transactions Committee on process and hiring of the external auditor. The selection of the external auditor was also confirmed during the Annual General Meeting dated May 27, 2022.</p> <p>The terms of reference of the Audit and Related Party Transactions Committee disclosed their duties and responsibilities on recommending the appointment, re-appointment fees and removal of the external auditor.</p> <p>LinksReferences: Terms of Reference of Audit and Related Party Transactions Committee https://caremba.org/wp-content/uploads/2023/04/TOR-Audit-and-Related-Party-Transaction-Committees.pdf</p> <p>Excerpts from the Minutes of 12th Annual General Meeting, X. Matters for Approval and Ratification, Appointment of the External Auditor General Assembly Resolution No. 005-2022-Approval of the Audit Engagement with Quilab and Garsuta CPAs https://caremba.org/wp-content/uploads/2023/05/Minutes-of-12th-AGM-May-27-2022-pages12-13.pdf</p>	
<p>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.</p>	<p>Compliant</p>	<p>The selection of the External Auditor was approved and ratified by the General Assembly during its 12th Annual General Meeting held on May 27, 2022 via zoom videoconferencing, as disclosed in the minutes of the 12th AGM X. Matters for Approval and Ratification, Appointment of the External Auditor General Assembly Resolution No. 005-2022-Approval of the Audit Engagement with Quilab and Garsuta CPAs</p> <p>Link/Reference:</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2023/05/Minutes-of-12th-AGM-May-27-2022-pages12-13.pdf	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company's website and required disclosures.	Compliant	As far as our external auditor's audit engagement, we have not experienced an unsatisfactory audited reports leading to removal of services.	
Recommendations 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> 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	<p>The Board of Trustees during their board meeting approved the recommendation of the Audit Committee on process and hiring of the external auditor. The selection of the external auditor was also confirmed during the Annual General Meeting.</p> <p>The terms of reference of the Audit and Related Party Transactions Committee disclosed their duties and responsibilities on recommending the appointment, reappointment fees and removal of the external auditor.</p> <p>Link/Reference: Terms of Reference of Audit and Related Party Transactions Committee https://caremba.org/wp-content/uploads/2023/04/TOR-Audit-and-Related-Party-Transaction-Committees.pdf</p>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's sustainability and effectiveness on an annual basis.	Compliant	<p>The Terms of Reference of the Audit and Related Party Transactions Committee, disclosed the Committee's responsibility on reviewing the external auditor's performance.</p> <p>Link/Reference: Terms of Reference of Audit and Related Party Transactions Committee https://caremba.org/wp-content/uploads/2023/04/TOR-Audit-and-Related-Party-Transaction-Committees.pdf</p>	
Recommendations 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	<p>For 2022, the association paid Quilab and Garsuta CPAs a total of P75,000.00 exclusive of out of pocket expenses amounting to P13,800.00.</p> <p>Quilab and Garsuta CPAs did not performed any non-audit services for CARE MBA, Inc. and no non-audit fees were paid.</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		Link/Reference: Excerpts from Minutes of 2022 Annual General Meeting, 2022 Annual Report page 18 https://caremba.org/wp-content/uploads/2023/05/Annual-Report-2022-AGM-Minutes-Appointment-of-External-Auditor-page-18.pdf	
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	Link/Reference: Audit Engagement with Quilab and Garsuta, CPAs https://caremba.org/wp-content/uploads/2023/05/CARE-MBA-AUDIT-PROPOSALS-2022-1-unlocked.pdf	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendations 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	CARE MBA has a firm commitment to being socially responsible and accountable to itself, members and stakeholders. We value our solid engagement to our affiliates that give back to our community and support various campaign on social, community and environmental issues. We have a Policy on Social Responsibility to the Community that shows our involvement on different community services led by our partners and associates. Links/References: Policy on Social Responsibility to the Community https://caremba.org/wp-content/uploads/2020/07/Social-Responsibility-to-the-Community.pdf Scholarship Program https://caremba.org/wp-content/uploads/2023/05/Scholarship-Program-Revised-2022.xlsx.pdf Our activities on different Social Responsibility to the Community for year 2022 are published on our 2022 Annual Report. The Said Annual Report is publicly posted on the Association's website for public viewing of our members, partners and stakeholders.	

	Compliant / Non-Compliant	Additional Information	Explanation
		Link/Reference: Excerpts from 2022 Annual report pages 95 and 96 https://caremba.org/wp-content/uploads/2023/05/Annual-Report-LUBAYAT-XMAS-PARTY-SOCIAL-RESPONSIBILITY.pdf https://caremba.org/wp-content/uploads/2023/05/Annual-Report-SCHOLARS-SOCIAL-RESPONSIBILITY.pdf	
2. Company adopts a global recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	To provide transparency to all our partners and members, the association has its sustainability report. CARE MBA's 2022 Annual Report disclosed its governance, environmental, social, membership and financial growth for the year. Link/Reference: 2022 Annual Report https://caremba.org/wp-content/uploads/2023/05/ANNUAL-REPORT-2022.pdf	
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.			
Recommendations 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	CARE MBA, Inc. has its own company's website. All the notable related contents for information needed by members and other stakeholders are posted on it. By having our own website, our stakeholders will know that we are trustworthy and credible. This also serves as our formal platform to communicate and submit our compliances to different government agencies. Link/Reference: CAREMBA website http://caremba.org/ In addition thereto, our Association also has its official Facebook account that is a good platform to show and extend our services to members, partners and stakeholders. This is a powerful way to communicate with them and to our potential partners by allowing them to see our products and services and also promote our CARE MBA, Inc., since most of our stakeholders have their own Facebook accounts. Link/Reference: CARE MBA official Face book account	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://www.facebook.com/caremba08	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendations 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>Considering the size and nature of CARE MBA, Inc., we have an Internal Auditor who is also a member of the Audit and Related Party Transactions Committee. The committee offers risk management and evaluates the effectiveness of CAREMBA's internal controls and accounting processes.</p> <p>Links/References: https://caremba.org/wp-content/uploads/2023/04/INTERNAL-AUDITOR.pdf https://caremba.org/wp-content/uploads/2023/05/SEGURO.pdf</p> <p>Policy on Codified Approving Signing Authority (CASA) https://caremba.org/wp-content/uploads/2021/07/CASA-of-CARE-Revised2021.pdf</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>CARE MBA, Inc. has its Enterprise Risk Management Manual that prepares the association in applying consistent and comprehensive risk management which includes identifying, evaluating and controlling possible risks.</p> <p>Link/Reference: Enterprise Risk Management Manual https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf</p>	
Recommendations 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>The Board of Trustees of CARE MBA, Inc. appointed Mrs. Melody L. Bringel as the Internal Auditor of the association ratified by Board Resolution No. 033-2021 during the regular meeting of the board of trustees held last November 22, 2021.</p> <p>Links/References: Excerpts from the Minutes of regular board meeting held last November 22, 2021, A Resolution Appointing Melody L. Bringel as Internal Auditor of CARE MBA, Inc. page 7</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2022/05/Minutes-November-2021-Appointment-of-the-Internal-Auditor.pdf Excerpts from Corporate Governance Manual, Chapter II, Governance Structure, Section 10. The Internal Auditor https://caremba.org/wp-content/uploads/2022/05/Internal-Auditor-Excerpts-from-CGC.pdf Terms of Reference Internal Auditor https://caremba.org/wp-content/uploads/2021/03/Internal-Auditor.pdf	
Recommendations 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Considering the nature and size of CARE MBA, Inc., our Internal Auditor - Mrs. Melody L. Bringel acts as the Chief Audit Executive. She is appointed by the Board of Trustees. Mrs. Bringel is responsible for an objective assurance of internal audit activities, governance and internal control processes of the association. She is required to report to office at least twice a month. Link/Reference: https://caremba.org/wp-content/uploads/2023/05/CHIEF-AUDIT-EXECUTIVE.pdf	
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	Our outsourced internal auditor-Mrs. Melody L. Bringel reports directly to the chairperson of the Audit and Related Party Transactions Committee. Thus, all her reports and activities are being checked and monitored by the chairperson of the Committee - Mrs. Marilou S. Diaz, CPA. Links/References: Profile of the Chairperson of Audit and Related Party Transactions Committee https://caremba.org/wp-content/uploads/2023/04/CHAIRPERSON-AUDIT-AND-RPT-COMMITTEE.pdf Profile of the Internal Auditor https://caremba.org/wp-content/uploads/2023/04/INTERNAL-AUDITOR.pdf	
Recommendations 12.4			

	Compliant / Non-Compliant	Additional Information	Explanation
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>CARE MBA, Inc. has its Enterprise Risk Management Manual that prepares the association in applying consistent and comprehensive risk management which includes identifying, evaluating and controlling possible risks.</p> <p>Link/Reference: Enterprise Risk Management Manual https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf</p>	
Recommendations 12.5			
1. In managing the company's Risk Management System, the company has a Chief Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>The Chairperson of the Board Risk Oversight Committee performs the duties and responsibilities of the Chief Risk Officer of the Association. The duties and responsibilities of CRO are disclosed on the Enterprise Risk Management Manual of CARE MBA, Inc.</p> <p>Links/References: Excerpts from Enterprise Risk Management Manual, Page 6, The Chief Risk Officer https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf</p> <p>Profile of the Chief Risk Officer https://caremba.org/wp-content/uploads/2023/05/CHIEF-RISK-OFFICER.pdf</p>	
2. CRO has educate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<p>The Chairperson of the Board Risk Oversight Committee performs the duties and responsibilities of the Chief Risk Officer of the Association. The duties and responsibilities of CRO are disclosed on the Enterprise Risk Management Manual of CARE MBA, Inc.</p> <p>Links/References: Excerpts from Enterprise Risk Management Manual, Page 6, The Chief Risk Officer https://caremba.org/wp-content/uploads/2021/12/Enterprise-Risk-Management-Manual-12022021.pdf</p> <p>Profile of the Chief Risk Officer https://caremba.org/wp-content/uploads/2023/05/CHIEF-RISK-OFFICER.pdf</p>	
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.			
Recommendations 13.1			

	Compliant / Non-Compliant	Additional Information	Explanation
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>CARE MBA is a non-stock, non-profit association, owned and managed by its members. As such member-owners rights are disclosed in the Manual on Corporate Governance.</p> <p>Link/Reference: Excerpts from the Corporate Governance Manual, Chapter IV-Membership, Section 2. Rights of Members https://caremba.org/wp-content/uploads/2021/06/Chapter-IV-Membership.pdf</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>Basic stakeholder rights are clearly published in the Association's Corporate Governance Manual and By-Laws which are posted on the company's website for transparency and disclosure.</p> <p>Links/References: Excerpts from the Corporate Governance Manual, Chapter IV-Membership, Section 2. Rights of Members https://caremba.org/wp-content/uploads/2021/06/Chapter-IV-Membership.pdf</p> <p>CARE MBA By-Laws in Article III-Membership, Section 2 Rights of Members, pages 1-2 http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf</p>	
Recommendations 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholder's Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	<p>The Notice/Invitation containing relevant information of 12th Annual General Meeting of CARE MBA, Inc. was posted on the Association's website last April 18, 2022. Emails were also sent to members and stakeholders/partner cooperative and organized groups. As for stakeholders who visited the office, they were given printed Notice/Invitation. Thirty nine (39) days advance notification/invitation was undertaken to ensure that all members and stakeholders are well informed.</p> <p>Link/Reference: Notice of CARE MBA 12th Annual General Meeting https://caremba.org/notice-of-care-mbas-12th-annual-general-meeting/</p>	
Recommendations 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent	Compliant	The minutes of 12th Annual General Meeting held on May 27, 2022 via zoom videoconferencing, includes information containing	

	Compliant / Non-Compliant	Additional Information	Explanation
Annual or Special Shareholders Meeting publicly available the next working day.		<p>relevant questions raised and answers during the said AGM. The result of votes are also included in the minutes.</p> <p>Open forum is on page 20 while the result of election is on pages 19-20 as per disclosed on the Minutes of the 12th Annual General Meeting</p> <p>Link/Reference: Minutes of 12th Annual General Meeting https://caremba.org/wp-content/uploads/2022/08/Minutes-of-12th-AGM-May-27-2022.pdf</p>	
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company's website within five business days from the end of the meeting.	Compliant	<p>CAREMBA's minutes of 12th Annual General Meeting held on May 27, 2022 via zoom video conferencing is posted on the Association's website four (4) days after the AGM.</p> <p>The minutes also disclosed all agenda items including the approving, dissenting, and result of election.</p> <p>Since the AGM was done through videoconferencing, the Association used Google form as ballot for the election process.</p> <p>Members/representatives were also given a chance to raise their queries and concerns as disclosed in the open forum part that can be seen on page 20 of the minutes of the 12th Annual General Meeting.</p> <p>Link/Reference: Minutes of 12th Annual General Meeting https://caremba.org/wp-content/uploads/2022/08/Minutes-of-12th-AGM-May-27-2022.pdf</p>	
Recommendations 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>CARE MBA has feedback and grievance policy for stakeholders and is available to resolve intra-corporate disputes.</p> <p>Link/Reference: Excerpts from the Corporate Governance Manual, Chapter V Stakeholders, Section 6 https://caremba.org/wp-content/uploads/2021/03/Role-of-Stakeholders.pdf</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>The Corporate Governance Manual of the Association has its feedback and grievance policy for stakeholders and mechanism for redress of grievances that is available to resolve intra-corporate disputes. It is posted in the Association's website for public viewing of members, partners and stakeholders.</p> <p>Link/Reference: Excerpts from the Corporate Governance Manual, Chapter V Stakeholders, Section 6 https://caremba.org/wp-content/uploads/2021/03/Role-of-Stakeholders.pdf</p>	
Duties to Stockholders			
Principle 14: The rights of 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.			
Recommendations 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>CARE MBA, Inc. is a non-stock, non-profit mutual benefit association, owned and managed by its members. We value our members' rights thus our association identifies various stakeholder/Member's duties and responsibilities to promote cooperation with them.</p> <p>Links/References: Excerpts from Corporate Governance Manual, Chapter V. Stakeholders, Section 5. Role of Stakeholders https://caremba.org/wp-content/uploads/2021/03/Role-of-Stakeholders.pdf</p> <p>Minutes of 12th Annual General Meeting-Delegates/Representatives of Partner-Cooperatives and Organizations, pages 1 – 3 https://caremba.org/wp-content/uploads/2022/08/Minutes-of-12th-AGM-May-27-2022.pdf</p> <p>CARE MBA By-Laws in Article III-Membership, pages 1-2 http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf</p>	
Recommendations 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>CARE MBA values and protects the rights of all its stakeholders. The roles of stakeholders are unveiled in the Association's Corporate Governance Manual and in CARE MBA By-Laws.</p> <p>Links/References:</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>Excerpts from Corporate Governance Manual, Chapter V. Stakeholders, Section 5. Role of Stakeholders https://caremba.org/wp-content/uploads/2021/03/Role-of-Stakeholders.pdf</p> <p>CARE MBA By-Laws in Article III-Membership, pages 1-2 http://caremba.org/wp-content/uploads/2019/11/CARE-BY-laws-amended-02-1414.pdf</p>	
Recommendations 14.3			
<p>1. Board adopts a transparent framework and process that allows stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	Compliant	<p>Office address, telephone and mobile numbers as well as the official contact persons of CAREMBA are posted on the Association's website for public viewing and transparency to all partners, members and stakeholders.</p> <p>Link/Reference: CAREMBA website https://caremba.org/contact-us/</p> <p>The whistle blowing policy is also disclosed and posted on our Association's website for public viewing and transparency to all partners, members and stakeholders.</p> <p>Link/Reference: Whistleblowing Policy https://caremba.org/wp-content/uploads/2020/07/Whistle-Blowing-Policy.pdf</p>	
<p>Principle 15: A mechanism for employee participation should be developed to create a symbolic environment, realize the company's goals and participants in its corporate governance processes.</p>			
Recommendations 15.1			
<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	Compliant	<p>Our Association has a policy on Social Responsibility to the Community that indicates employees participation on different social, environmental and community development activities like, tree planting, coastal clean-up, medical and dental mission, feeding program, scholarship program and the like.</p> <p>Links/References: Excerpts from 2022 Annual report pages 95 and 96 https://caremba.org/wp-content/uploads/2023/05/Annual-Report-LUBAYAT-XMAS-PARTY-SOCIAL-RESPONSIBILITY.pdf</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>https://caremba.org/wp-content/uploads/2023/05/Annual-Report-SCHOLARS-SOCIAL-RESPONSIBILITY.pdf</p> <p>Policy on Social Responsibility to the Community https://caremba.org/wp-content/uploads/2020/07/Social-Responsibility-to-the-Community.pdf</p> <p>CARE MBA allows its employees to participate and attend to different trainings and seminars to enhance and develop their skills and to have better understanding on their roles and responsibilities. CARE MBA believes that trainings improve the efficiency and productivity of employees.</p> <p>Links/References: Trainings and Seminars attended of CAREMBA employees for year 2022 https://caremba.org/wp-content/uploads/2023/05/Trainings-and-Seminars-Attended-of-Staff-2022.pdf</p> <p>Excerpts from Human Resource Manual, Section 1.01. Health, Medical and Hospitalization Benefits https://caremba.org/wp-content/uploads/2021/07/HRM-Manual-Health-and-Medical-of-Employees.pdf</p>	
Recommendations 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	Compliant	<p>The Code of Ethics and Conduct of the Association clearly shows the good practices and good corporate governance of CARE MBA, Inc. that must be complied by its members, board of trustees, employees and all its stakeholders.</p> <p>Links/References: Code of Conduct and Ethics of CARE MBA, Inc. https://caremba.org/wp-content/uploads/2021/06/Code-of-Conduct-of-CARE-MBAs.pdf</p> <p>Code Of Ethics And Conduct https://caremba.org/wp-content/uploads/2021/06/Code-of-Ethics-and-Conduct.doc.pdf</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	Compliant	<p>The Staff Training and Development Policy is being disseminated to the employees during their orientation. It is disclosed on the association's website. Employees must comply and attend the designated trainings and seminars that will be given and assigned to</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		<p>them for self improvement and additional knowledge that they may use within the association.</p> <p>Links/References: Staff Training and Development Policy https://caremba.org/wp-content/uploads/2023/05/Staff-Training-and-Development-Policy.pdf</p> <p>Trainings and Seminars Attended by CAREMBA employees for year 2022 https://caremba.org/wp-content/uploads/2023/05/Trainings-and-Seminars-Attended-of-Staff-2022.pdf</p>	
Recommendations 15.3			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear or retaliation.</p>	Compliant	<p>Whistleblowing is important in protecting the Association's stakeholders and directly protect CAREMBA's fight against fraud, misconduct and corruption. In line with this, our Association created a whistleblowing policy.</p> <p>The whistleblowing policy is posted on the Association's website for transparency and for public viewing of members, partners and stakeholders.</p> <p>Links/References: Whistleblowing Policy https://caremba.org/wp-content/uploads/2020/07/Whistle-Blowing-Policy.pdf</p> <p>CAREMBA website https://caremba.org/contact-us/</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	Compliant	<p>Whistleblowing is important in protecting the Association's stakeholders and directly protect CAREMBA's fight against fraud, misconduct and corruption. In line with this, our Association created a whistleblowing policy.</p> <p>The whistleblowing policy is posted on the Association's website for transparency and for public viewing of members, partners and stakeholders.</p> <p>Links/References: Whistleblowing Policy</p>	

	Compliant / Non-Compliant	Additional Information	Explanation
		https://caremba.org/wp-content/uploads/2020/07/Whistle-Blowing-Policy.pdf CAREMBA website https://caremba.org/contact-us/	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	CAREMBA's whistle blowing policy is posted on its website and it is also implemented by the Association. However, up to this date there is no specific incident of whistle blowing within the Association. Link/Reference: Whistleblowing Policy https://caremba.org/wp-content/uploads/2020/07/Whistle-Blowing-Policy.pdf	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operate. It should ensure that its interaction serve its environment and stakeholders in a positive and progressive manner that is fully supportive of it comprehensive and balance development.

Recommendations 16.1

1. Company recognizes and places importance on the independence 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	CARE MBA has a firm commitment to being socially responsible and accountable to itself, members and stakeholders. We value our solid engagement to our affiliates that give back to our community and support various campaign on social, community and environmental issues. We have a Policy on Social Responsibility to the Community that shows our involvement on different community services led by our partners and associates. CARE MBA, Inc. also has its Scholarship Program and Calamity Assistance Policy given to members in good standing. Details of said policies are attached below. Links/References: Policy on Social Responsibility to the Community https://caremba.org/wp-content/uploads/2020/07/Social-Responsibility-to-the-Community.pdf Scholarship Program https://caremba.org/wp-content/uploads/2023/05/Staff-Training-and-Development-Policy.pdf	
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	Compliant / Non-Compliant	Additional Information	Explanation
		<p>Calamity Assistance Policy https://caremba.org/wp-content/uploads/2023/05/Policy-on-Calamity-Assistance.pdf</p> <p>Excerpts from 2022 Annual report pages 95 and 96 https://caremba.org/wp-content/uploads/2023/05/Annual-Report-LUBAYAT-XMAS-PARTY-SOCIAL-RESPONSIBILITY.pdf</p> <p>https://caremba.org/wp-content/uploads/2023/05/Annual-Report-SCHOLARS-SOCIAL-RESPONSIBILITY.pdf</p>	

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 Lucena on the CITY OF LUCENA of MAY 23 2023 2023.


CRISELDA R. ABUEL
PRESIDENT


PELAGIA C. MENDONES
GENERAL MANAGER


ERLENE E. BARANDINO
CORPORATE SECRETARY



MARIA VICTORIA A. ABRIGO
CORPORATE GOVERNANCE
COMPLIANCE OFFICER


GAUDIOSO A. LAVADIA
INDEPENDENT TRUSTEE


MARILOU S. DIAZ, CPA
INDEPENDENT TRUSTEE

SUBSCRIBED AND SWORN to before me this MAY 23 2023 day of May 2023, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification documents as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. Criselda R. Abuel	UMID 0111-3308321-0	Lucena City
2. Pelagia C. Mendones	Senior Citizen I. D. 134022	01-15-2019 / Tayabas City
3. Erlene E. Barandino	UMID 0033-4776389-0	Lucena City
4. Maria Victoria A. Abrigo	National Id 3425-8269-4687-1053	Tayabas City
5. Gaudioso A. Lavadia	SSS 04-0466587-6	Lucena City
6. Marilou S. Diaz, CPA	Driver's License D09-94-046263	04-09-2022 / Lucena City


ATTY. LESLIE RACELIS
NOTARY PUBLIC / UNTIL DECEMBER 31, 2023
Notarial Commission No. 2022-01
MCLE No. VII - 0010338 / Valid April 2025
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