



30 May 2023

HON. REYNALDO A. REGALADO
Insurance Commissioner
INSURANCE COMMISSION
1071 United Nations Avenue, Manila
ocom@insurance.gov.ph

Subject: **SUBMISSION OF THE ANNUAL CORPORATE GOVERNANCE REPORT FOR CY 2022**

Dear Commissioner Regalado:

In compliance with the Insurance Commission (IC) Circular Letter No. 2020-72, **1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP)** is respectfully submitting its **Annual Corporate Governance Report (ACGR) for CY 2022**.

In relation thereto, the ACGR and its supporting documents will be made available on the company website within the next five (5) working days from the receipt of the IC.

Should you have any queries or concerns, please do not hesitate to contact our Legal and Compliance Department at +63 917 540 6992 or email them at legalandcompliance@1cisp.coop and sarbuksh@gmail.com.

Thank you.



Very truly yours,

[Signature]
ROY S. MICLAT
President

Enrico D. Cleofas
Insurance Commission - Admin.
Records - Receiving

ANNUAL CORPORATE GOVERNANCE REPORT OF

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE (1CISP)

(Name of Company)

1. For the fiscal year ended **December 31, 2022**
2. Certificate Authority Number **2021/01-R**
3. Province, Country or the jurisdiction of incorporation or organization
Philippines
4. Address of principal office Postal Code
11 Mapagbigay cor Maunlad Sts., Brgy. Pinyahan, Quezon City 1100
5. Company's telephone number, including area code **8-556-27-00 / 7-0920-529**
6. Company's official website <https://1cisp.coop/>
7. Former Address: **80 Malakas St. Brgy. Pinyahan, Quezon City**

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	The Board comprises leaders from primary cooperatives across the Philippines, primarily consisting of licensed certified public accountants, retired generals, and veterans in the insurance industry. The curriculum vitae of each member of the Board of Directors can be viewed here: Board of Directors Curriculum Vitae Anent the qualification standards, each director is required to attend Cooperative Development Authority's mandated training. Additionally, they are provided a copy of the Code of Governance using the following link: 1CISP By-Laws (page 4, Article IV- Board of Directors) , which can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

		<p>1CISP Code of Good Governance, which can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>Board of Directors List of Trainings Attended</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>The Cooperative Annual Progress Report (CAPR) of 1CISP, which serves as the equivalent of the GIS of Corporations, all of 1CISP's directors hold non-executive positions. Importantly, out of the nine (9) directors, two (2) of them are independent directors per the IC Circular Letter.</p> <p>The CAPR of 1CISP can be viewed on the 1CISP website at: https://1cisp.coop/capr.php</p> <p>1CISP Board of Directors 2022</p>	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>The provision regarding 1CISP's policy on training for directors can be found in Section 4, Article 4 of its Code of Governance Manual.</p> <p>1CISP Code of Good Governance, which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	Section 4, Article 4 of 1CISP's Code of Governance states that the Directors should be provided with an appropriate orientation after assuming office, ensuring their familiarity with their roles and responsibilities.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>The 1CISP Code of Good Governance, which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>Furthermore, the board of directors undergoes several training throughout the year. The specific training sessions conducted can be accessed here: Board of Directors List of Trainings Attended</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Section 7 of Article VI-A in 1CISP's Bylaws highlights the establishment of a Gender and Development Committee. This committee specifically focuses on promoting diversity among the leaders of 1CISP.</p> <p>1CISP By-laws, Article VI-A, Section 7 (Page 15), which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	COMPLIANT	The duties and responsibilities of the Co-operative Secretary may be found in Section 3, Article V of 1CISP's By-laws.	

		<p>1CISP By-laws, Section 3, Article V-Officers (page 10), which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<p>Ms. Cecilia M. Laguna, the Executive Vice President and Chief Operating Officer, serves as the Compliance Officer for 1CISP. This role is separate from that of the appointed Co-operative Secretary, Atty. Lyman A. Manzanares.</p> <p>The designation of Ms. Laguna as 1CISP's Compliance Officer may be accessed through this: Designation of Compliance Officer</p>	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	<p>The Section 1, Article V of 1CISP's By-laws states that the Board of Directors shall appoint a secretary who shall not be a member of the Board.</p> <p>1CISP By-Laws, Section 1, Article V. (Page 10), which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p> <p>According to the CAPR, the Co-operative Secretary is a distinct individual separate from the members of the Board of Directors.</p>	

		The CAPR of 1CISP can be viewed on the 1CISP website at: https://1cisp.coop/capr.php	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Atty. Lyman Manzanares attended a corporate governance training provided by Cooperative Development Authority's accredited training provider from September 7 to 12, 2022. Certificate of Completion, Governance and Management of Cooperatives	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	COMPLIANT	Ms. Laguna, currently serving as the Executive Vice President and Chief Operating Officer of 1CISP, has been appointed as the Compliance Officer of 1CISP. The appointment, along with her duties as a Compliance Officer, may be seen at: Appointment Letter Compliance Officer Curriculum Vitae . According to the CAPR, the Compliance Officer is a distinct individual separate from the members of the Board of Directors. The CAPR of 1CISP can be viewed on the 1CISP website at: https://1cisp.coop/capr.php	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		

<p>4. Compliance officer attends trainings/s on corporate governance annually</p>	<p>COMPLIANT</p>	<p>Ms. Laguna attended a corporate governance training provided by Cooperative Development Authority's accredited training provider on September 7 to 12, 2022.</p> <p>Certificate of Completion, Governance and Management of Cooperatives</p>	
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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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>The duties and responsibilities of the Board of Directors are stated in the following:</p> <ol style="list-style-type: none"> 1. 1CISP's Bylaws under Section 15, Article IV; and 2. 1CISP's Code of Governance <p>The Bylaws of 1CISP, can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p> <p>The Code of Governance which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>The undersigned Board of Directors and Co-operative Secretary affirm that the Board acted with full information,</p>	
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		<p>good faith, due diligence, and care in the best interest of the company during its meeting.</p> <p>Additionally, all decisions made by the Board of Directors through board resolutions were presented to the General Assembly for ratification.</p> <p>List of Board of Directors Resolutions and Minutes of 1CISP's 48th Annual General Assembly Meeting can be viewed on 1CISP website under "Annual report 2022" through this link: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
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Recommendation 2.2

1. Board oversees the development, review, and approval of the company's business objectives and strategy.	COMPLIANT	<p>Section 1, Article IV of 1CISP's Bylaws provides that the board of directors shall be responsible for the strategic planning, direction-setting, and policy-formulation activities of 1CISP.</p> <p>The bylaws can be viewed on 1CISP website at https://1cisp.coop/documents/POLICIES/ByLaws_2022.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>Consequently, the Board of Directors presented 1CISP's Five Year Strategic Planning to the Annual General Assembly (Shareholders) during the Annual General Assembly Meeting.</p> <p>Furthermore, each member received a copy of 1CISP's Annual Report, which included the written strategic plans.</p>	

		The minutes of the meeting and the 5-year strategic plans can be viewed on 1CISP website under “Annual report 2022” through this link: https://1cisp.coop/documents/AR/AR2022.pdf	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	The profile and qualifications of Chairperson Rev. Fr. Anton CT. Pascual can be found in the following link: 1CISP Chairperson Curriculum Vitae	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	COMPLIANT	The board of directors has approved and implemented a succession plan and retirement policies which can be viewed through this link: 1CISP Succession Plan 1CISP Retirement Policy	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Section 12, Article IV of 1CISP’s By-laws provides that directors and officers shall not be entitled to any per diem if, in the preceding calendar year, 1CISP reported a net loss or had a dividend rate less than the official inflation rate for the same year.	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		

<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>	<p>Additionally, the same provision stipulates that the remuneration of the Board of Directors must be approved by the Annual General Assembly</p> <p>The by-laws, which can be viewed on 1CISP website at:https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
<p>Recommendation 2.6</p>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>COMPLIANT</p>	<p>Section 1, Article VI-A of 1CISP's Bylaws stipulates that 1CISP maintains a distinct committee, referred to as the Election Committee. This committee is elected by the General Assembly (Shareholders) and assumes the primary responsibility for managing the nomination and election processes related to the Board of Directors.</p> <p>Moreover, Section 7, Article IV of 1CISP's Bylaws provides explicit guidelines regarding the election procedures and terms applicable to the Board of Directors</p> <p>The by-laws can be viewed on 1CISP website at:</p>	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>		
<p>3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.</p>	<p>COMPLIANT</p>		
<p>4. Board nomination and election policy includes how the board reviews nominated candidates.</p>	<p>COMPLIANT</p>		
<p>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.</p>	<p>COMPLIANT</p>		

<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p> <p>The election guidelines of the Board of Directors and committees was presented to the Annual General Assembly Meeting.</p> <p>The Minutes of 1CISP's 48th Annual General Assembly Meeting can be viewed on 1CISP website under "Annual report 2022" through this link: https://1cisp.coop/documents/AR/AR2022.pdf</p> <p>Election Guidelines</p>	
<p>Recommendation 2.7</p>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>COMPLIANT</p>	<p>During the Regular Meeting of the Board of Directors held on April 28, 2022, an appointment was made to establish a Related Party Transactions (RPT) Committee. This committee is tasked with handling and overseeing the related party transactions of 1CISP.</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>		
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>To access the excerpt of the minutes and the list of committees of 1CISP, please click on the following link Excerpt of the minutes 1CISP Committees 2022 (Related Party Transactions Committee)</p> <p>The 1CISP recently approved its the policy on related party transactions. Related Party Transactions Policy</p> <p>The RPT Committee, submitted its reports to the Insurance Commission</p>	

		Related Party Transactions Reports 2022	
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	<p>Section 1, Article V of 1CISP's By-laws states that the Board of Directors shall appoint a president and other key officers who shall not be a member of the Board.</p> <p>The by-laws can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>The responsibility for evaluating the performance of the CEO and key officers lies primarily with the Board of Directors, as stated in the performance assessment of the top management policy.</p> <p>Performance Assessment of the Top Management Policy</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	<p>The Board of Directors approved the performance assessment of the top management policy.</p> <p>Performance Assessment of the Top Management Policy</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Performance Assessment of Personnel	

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Section 4 of Article IV in the Code of Good Governance of 1CISP emphasizes the need for clearly defined and documented roles for the Board. These roles encompass various important aspects, such as setting the cooperative's Mission & Vision, approving the strategic plan, establishing a framework for adequate internal controls, reviewing management performance, and setting standards	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>TheCode of Good Governance which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>As part of the internal controls implemented by the Board of Directors, they have approved a codified approving and signing authority. This authority provides clear guidelines and processes for approving and signing documents within the organization.</p> <p>1CISP Board Policy No. 001-2020 Revised Codified Approving and Signing Authority (CASA)</p>	
3. Board approves the Internal Audit Charter.	COMPLIANT	The Internal Audit Manual of 1CISP has been approved by the Board of Directors. This manual sets forth the guidelines and	

		procedures for conducting internal audits within the organization. Revised Internal Audit Manual	
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.	NON- COMPLIANT		Currently, the Risk and Management Committee is finalizing the enterprise risk management (ERM) framework subject to the approval of the Board of Directors.
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.	NON- COMPLIANT		
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 of Directors has approved both a Code of Governance and a Code of Ethical Standards. These codes serve as essential guides for the Board in carrying out their responsibilities and fulfilling their fiduciary duties. They provide a framework of principles and standards that promote good governance practices and ethical conduct within the organization. The Board Manual can be viewed on 1CISP website at: https://1cisp.coop/policies.php The Code of Good Governance can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf	
2. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT		
3. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT		
Principle 3: Board committees should be set up to the extent possible to 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, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			

Recommendation 3.1			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Article VI-A of the Bylaws provides for the structure, functions, and membership of the elected and appointed committees.</p> <p>The by-laws can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p> <p>The 1CISP Committees FY 2022 can be viewed on 1CISP website under “Annual Report 2022” through this link: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
Recommendation 3.2			
<p>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.</p>	<p>COMPLIANT</p>	<p>Section 3 of Article VI-A of 1CISP By-laws states the functions, membership, and qualifications of the audit Committee.</p> <p>The by-laws can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non- executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>All members of the Audit Committee are non-executive directors who are Certified Public Accountants. Their expertise in accounting and auditing ensures the committee's ability to effectively fulfill its responsibilities.</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>The profiles of the members and details regarding the training of the Audit Committee can be found below:</p>	

		1CISP Committees 2022 (Audit Committee) Curriculum Vitae - Audit Committee Audit and Inventory Committee Trainings Attended	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>As evident in 1CISP's CAPR, Ms. Gidaya, the Chairperson of the Audit Committee, is not a member of 1CISP's Board of Directors.</p> <p>1CISP's CAPR can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
Recommendation 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 Nomination and Remuneration Committee.	COMPLIANT	<p>It can be seen in 1CISP's CAPR that the board of directors appointed the members of the Governance Committee.</p> <p>The Governance Committee comprises six members, with two of them serving as Independent Directors. Mr. Jerson Remo, an Independent Director, assumes the role of Chairperson of the Governance Committee. The complete membership details of the Governance Committee can be found in 1CISP's CAPR submitted to the Cooperative Development Authority (CDA).</p> <p>1CISP's CAPR can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT		
3. Chairman of the Corporate Governance Committee is an independent director	COMPLIANT		

		Curriculum Vitae of Governance Committee	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<p>It can be seen in 1CISP's CAPR that the board of directors established a Risk Management Committee.</p> <p>The complete membership details of the Risk Management Committee can be found in 1CISP's CAPR submitted to the CDA.</p> <p>1CISP's CAPR can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	<p>The Risk Management Committee, consisting of three members, operates with the understanding that while its Chairperson may not be an independent Director, the committee is dedicated to effectively managing and mitigating risks within 1CISP. The committee's composition ensures a balanced representation of expertise and perspectives to address risk-related matters in an informed and comprehensive manner</p> <p>1CISP's CAPR can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>1CISP 2022 Committees</p> <p>2022 Summary of Board Resolutions</p>	

		Please refer to Board Resolution No. 067 s. 2022 dated April 28, 2022, for the composition and appointment of Governance Committee	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>All members of the Risk Management Committee bring valuable experience in risk management, as they are actively managing their respective primary cooperatives. Their expertise and knowledge in this field contribute to the effective oversight and mitigation of risks within 1CISP.</p> <p>The profile of each member of the committee may be seen below:</p> <p>Curriculum Vitae of the Risk Management Committee</p>	
Recommendation 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	The Board of Directors, through BR 071 s. 2022, dated April 28, 2022, appointed the members of the Related Party Transaction Committee	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	<p>The Committee is composed of 3 members.</p> <p>Summary of 2022 Board Resolution</p> <p>1CISP 2022 Committees (Related Party Transaction (RPT) Committee)</p> <p>RPT Committee Curriculum Vitae</p>	
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective	COMPLIANT		

<p>purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>		<p>Aside from the Code of Good Governance, the Board of Directors has approved a Code of Ethical Standards that sets forth the guidelines and principles which all Officers and Members of 1CISP must adhere to. This code serves as a framework for promoting ethical behavior, integrity, and professional conduct within the organization</p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>COMPLIANT</p>	<p>1CISP Board Manual (Code of Ethical Standards for Officers and Members)</p> <p>1CISP Code of Good Governance, which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>The Committee Charters of 1CISP are available for viewing in the Annual Report of 2022. You can access the Annual Report and find the Committee Charters on 1CISP's official website at: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
<p>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1</p>			
<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance</p>	<p>COMPLIANT</p>	<p>The Cooperative holds monthly regular board meetings that are attended by the Board of Directors.. The excerpts of the minutes indicating the</p>	

with the rules and regulations of the Commission.		attendance may be seen below: Excerpts of the Minutes of the Board and Committee Meetings 2022, Attendance	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	2022 Regular Board Meeting, Notice of Meeting The Board of Directors receives a Notice of Meeting prior to and following the board meeting. This practice ensures that board members are informed in advance about the upcoming meeting, including the agenda, date, time, and location. Email thread, Notice of Meeting	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	As may be seen in the excerpt of the minutes of the meeting of the Board of Directors, the member directors are actively seeking clarifications on the matter being discussed. This indicates their engagement and commitment to thoroughly understand the issues at hand and make informed decisions. Excerpt of the minutes of the board meeting with discussion	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they	COMPLIANT	Under Section 7 of Article IV of the By-laws of 1CISP, it was stated that Directors elected under the By-laws shall serve for two (2) years, unless	

<p>have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>		<p>earlier removed from office by reason of death, incapacity, resignation, or other causes, until their successors shall have been elected, qualified, and assumed office. No director shall serve for more than three (3) successive terms.</p> <p>The 1CISP's Bylaws which can be viewed on CISP Website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>The board of directors of 1CISP may run for directorship in another cooperative, representing 1CISP, with the requirement that their candidacy is supported by a Board Resolution. This resolution serves as formal approval from the board, indicating their endorsement and authorization for the director to seek directorship in another cooperative on behalf of 1CISP..</p> <p>1CISP Board Resolution No. 040 s. 2022</p>	
<p>Principle 5: The board should endeavour to exercise an objective and independent judgement on all corporate affairs.</p>			
<p>Recommendation 5.1</p>			
<p>1. The Board is composed of at least twenty percent (20%) independent directors.</p>	<p>COMPLIANT</p>	<p>Out of the total of 9 directors in 1CISP, 2 directors, which represents 22% of the board, are independent directors.</p> <p>The CAPR submitted to the CDA, will reflect the total number of the Board of Directors with respective positions, which can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
<p>Recommendation 5.2</p>			

<p>1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.</p>	<p>COMPLIANT</p>	<p>The Independent Directors, as shown by their individual curriculum vitae show that they are qualified for the position based on 1CISP's By-laws under Article IV.</p> <p>Independent Directors CV</p>	
<p>Recommendation 5.3</p>			
<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>	<p>COMPLIANT</p>	<p>The 1CISP adopted the rules and regulations of the Insurance Commission which can be shown under Section 8, Article IV of its By-laws.</p> <p>The 1CISP's Bylaws which can be viewed on CISP Website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>		
<p>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</p>	<p>COMPLIANT</p>		

seek shareholders' approval during the annual shareholders' meeting.			
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p>As stated in 1CISP's CAPR submitted to the CDA, it is evident that the appointed Chairperson, Fr. Pascual, and the appointed Chief Executive Officer, Mr. Miclat, are two distinct individuals.</p> <p>CAPR, which can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>A quick glance of Section 16 of Article IV of the By-laws reveals the specific duties assigned to the Chairperson of 1CISP. This section outlines the responsibilities and tasks that the Chairperson is expected to fulfill in their role.</p> <p>On the other hand, Section 2, Article V of the By-laws outlines the responsibilities of the Chief Executive Officer (CEO) of 1CISP. This section highlights the specific duties and functions attributed to the CEO, which may differ from those of the Chairperson</p> <p>The 1CISP's Bylaws, which can be viewed on 1CISP Website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one	COMPLIANT	The position of the Chairperson, currently held by Fr. Pascual, and the CEO, held by Mr. Miclat, are separate roles within 1CISP.	

person, the Board should designate a lead director among the independent directors.		1CISP CAPR, which can be viewed on the 1CISP website at: https://1cisp.coop/capr.php	
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	Under the RPT Policy, the related party transactions shall be reported to the RPT Committee and to the Board of Directors. Related Party Transaction Policy	
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	The Board of Directors conducted multiple meetings with the External Auditors, as attested by the Chief Finance Officer and Accountant. Meeting of External Auditors and Internal Audit 2022	
2. The meetings are chaired by the lead independent director.	COMPLIANT		
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			
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	The Board of Directors has approved and is actively implementing a performance assessment for the Board itself. The purpose of this evaluation is to provide all Board members with an opportunity to assess and discuss the overall performance of the Board in an open and constructive manner, considering various	
2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT		
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT		

4. The performance of each committee is assessed annually by the Board.	COMPLIANT	perspectives. The evaluation aims to identify areas of strength and areas that require improvement, ensuring a continuous enhancement of the Board's effectiveness in conducting its business. Performance Assessment of the BOD	
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT		
Recommendation 6.2			
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.	COMPLIANT	The tools, specifically the questionnaire, utilized for the assessment of the Board of Directors of 1CISP can be accessed by clicking the following link: Performance Assessment of the BOD	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which 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,	COMPLIANT	The Board of Directors has approved a Code of Ethical Standards for Officers and Employees, which establishes the norms of conduct for directors, officers, members, and employees in the performance of their duties. This code serves as a guide for maintaining high ethical standards and promoting integrity within 1CISP. Code of Ethical Standards can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Code of Ethical Standards was discussed and disseminated to all employees during the HR Orientation, and it has also been posted on 1CISP's website.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT		

		<p>Orientation Attendance Sheet</p> <p>The Code of Ethical Standards can be viewed on 1CISP's website at: https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.pdf</p> <p>The Code of Conduct Standards can be viewed on 1CISP's website at: https://1cisp.coop/documents/POLICIES/Code-of-Conduct.pdf</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p>The Code of Ethical Standards was discussed and disseminated to all employees during the HR Orientation, and it has also been posted on 1CISP's website.</p> <p>Orientation Attendance Sheet</p> <p>The Code of Conduct Standards can be viewed on 1CISP's website at: https://1cisp.coop/documents/POLICIES/Code-of-Conduct.pdf</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
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	COMPLIANT	<p>The Board of Directors provides an annual report to the Annual General Assembly, which includes updates on the financial conditions, strategic plans, annual budget, and business operations. The minutes of the Annual General Assembly are incorporated into</p>	

<p>financial condition, results and business operations.</p>		<p>the Annual Report, which can be accessed on 1CISP's website at https://1cisp.coop/documents/AR/AR2022.pdf</p> <p>Audited Financial Statements can be viewed on 1CISP website under "Annual Report 2022" using this link: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p>The Board of Directors reports annually to the Annual General Assembly on the financial conditions, strategic plans, annual budget, and updates on business operations.</p> <p>The minutes of the Annual General Assembly Meeting are included in the "Annual Report 2022," accessible on the 1CISP website at: https://1cisp.coop/documents/AR/AR2022.pdf</p> <p>Audited Financial Statements can be viewed on the 1CISP website under "Annual Report 2022" using this link: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any</p>	<p>COMPLIANT</p>	<p>The Board of Directors reports to the Annual General Assembly, covering the financial conditions, strategic plans,</p>	

<p>potential conflicts of interest that might affect their judgment.</p>		<p>annual budget, and updates on business operations.</p> <p>The minutes of the Annual General Assembly Meeting are included in the "Annual Report 2022," accessible on the 1CISP website at https://1cisp.coop/documents/AR/AR2022.pdf</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>COMPLIANT</p>	<p>Section 12, Article IV of 1CISP's By-laws provides that the Board of Directors may fix the compensation and/or per diems of the Board of Directors and committee members. such compensation and per diems must be reasonable. Directors and officers shall not be given regular compensation and shall only receive per diems for actual attendance to Board and committee meetings and reimbursement of actual and necessary expenses while performing functions on behalf of 1CISP; provided, that directors and officers shall not be entitled to any per diem if in the preceding calendar year, 1CISP reported a net loss or had a dividend rate less than the official inflation rate for the same year. All compensations and benefits of the Board of Directors and officers shall be subject to the approval of the General Assembly.</p> <p>The by-laws can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICES/ByLaws_2022.pdf</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>COMPLIANT</p>		
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>		

Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	The 1CISP reports its Related Party Transactions to the Insurance Commission on a quarterly and annual basis. Related Party Transactions reports 2022	
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		
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The policy on good governance, approved by the Board, outlines the principles and guidelines that govern 1CISP's operations and decision-making processes The Code of Good Governance can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf	
2. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	The Audit Committee, an independent Committee from the Board of Directors, has implemented a set of comprehensive Audit Committee Guidelines. These guidelines outline the roles, responsibilities, and procedures to be	

		<p>followed by the Audit Committee in carrying out its duties effectively.</p> <p>Audit Committee Guidelines</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>Section 4.2 of the Audit Committee Guidelines specifies that it is the responsibility of the Committee to assess the fees of the External Auditors. This assessment ensures that the fees charged by the External Auditors are reasonable and commensurate with the scope of work performed</p> <p>Section 4 of the Audit Committee Guidelines</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>COMPLIANT</p>	<p>The appointment of the new External Auditors is conducted annually through a General Assembly. During this assembly, the members have the opportunity to evaluate the performance of the current External Auditors and decide whether to continue their engagement or appoint a new firm. It is worth noting that, to date, the Cooperative has not encountered any instances of removing the External Auditor.</p> <p>The minutes of the Annual General Assembly Meeting are incorporated in the "Annual Report 2022," which can be viewed on the 1CISP website at:</p> <p>https://1cisp.coop/documents/AR/AR2022.pdf</p>	

		Appointment of the New External Auditor For CY 2022	
Recommendation 9.2			
1. Audit Committee Charter include 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	Section 4 of the Audit Committee Guidelines outlines the important roles and responsibilities of the Audit Committee in relation to the assessment of the integrity of external auditors and monitoring the audit process. As per this section, the Audit Committee is entrusted with the task of evaluating the integrity, independence, and competence of the external auditors. Audit and Inventory Committee Guidelines (page 2, Item 4 - Roles and Responsibilities of Audit Committee)	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's	COMPLIANT		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	2022 Audited Financial Statements The External Auditors only provide audit and assurance services to 1CISP	
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		
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

<p>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.</p>	<p>COMPLIANT</p>	<p>The Cooperative has published a Sustainability Report on its official website. The report highlights the cooperative's commitment to sustainable practices and provides an overview of its efforts and achievements in various areas of sustainability.</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Sustainability Report, which may be viewed on 1CISP website at: https://1cisp.coop/documents/Sustainability%20Plan.pdf</p>	

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

Recommendation 11.1

<p>1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</p>	<p>COMPLIANT</p>	<p>Website: https://1cisp.coop/</p> <p>FB Page: https://www.facebook.com/1CISP/</p>	
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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.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The effective and internal control system is reflected in Section F of the Revised Internal Audit Manual</p>	
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON- COMPLIANT		Currently, 1CISP is finalizing the enterprise risk management framework subject to the approval of the Board of Directors.
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>The Board of Directors has appointed the members of the Internal Audit team of 1CISP. This department plays a vital role in assessing and evaluating the effectiveness of the Cooperative's internal control systems, risk management practices, and compliance with policies and regulations.</p> <p>As per the 1CISP's Organizational Structure, the Internal Audit team operates independently and reports directly to the Audit Committee.</p> <p>BOD Resolution No. 116 & 187 s. 2019</p>	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>The 1CISP appointed Ms. Quinnie Cabanez as its Internal Audit Head. The responsibilities along with her position are indicated below:</p> <p>BOD Resolution No. 116 s. 2019</p> <p>List of Internal Audit Head's Duties and Responsibilities</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT		
Recommendation 12.4			

<p>1. The company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>COMPLIANT</p>	<p>It can be seen in 1CISP's CARP that the board of directors established a Risk Management Committee.</p> <p>The complete membership details of the Risk Management Committee can be found in 1CISP's CAPR submitted to the CDA.</p> <p>1CISP's CAPR can be viewed on 1CISP website at: https://1cisp.coop/capr.php</p>	
<p>Recommendation 12.5</p>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>COMPLIANT</p>	<p>The management has appointed Ms. Aiza G. Malonzo as 1CISP's Chief Risk Officer. The details of her appointment, including her responsibilities in the role, can be found in the Appointment Letter. Appointment Letter</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>		
<p>Cultivating a Synergic Relationship with Shareholders</p>			
<p>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</p>			
<p>Recommendation 13.1</p>			
<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Article 7 of the Code of Corporate Governance and the bylaws outline the role and rights of the General Assembly.</p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>		

		<p>The Code of Good Governance can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>The by-laws can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/ByLaws_2022.pdf</p>	
Recommendation 13.2			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.</p>	COMPLIANT	<p>The Notice of the Annual General Assembly was published in a newspaper of general circulation on February 21, 2022, which was 47 days before the scheduled Annual General Assembly Meeting.</p> <p>Newspaper Clipping of Notice of Annual General Assembly</p>	
Recommendation 13.3			
<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	COMPLIANT	<p>The results of the 48th General Assembly Election Result was posted in 1CISP's website and can be viewed at: https://1cisp.coop/documents/ANNOUNCEMENT/2023%20-%2049th%20GA%20Election%20Result.pdf</p>	

<p>2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p>The minutes of the Annual General Assembly Meeting are incorporated in the "Annual Report 2022," which can be viewed on the 1CISP website at: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
<p>Recommendation 13.4</p>			
<p>1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>COMPLIANT</p>	<p>The Cooperative has been diligently submitting a semi-annual report of mediation and conciliation to the CDA.</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Report on Mediation/ Conciliation</p> <p>The rules on dispute resolution is embodied in the Code of Governance Policy.</p> <p>The Code of Good Governance can be viewed on the 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	
<p>Duties to Stakeholders</p>			
<p>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.</p>			
<p>Recommendation 14.1</p>			
<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>COMPLIANT</p>	<p>The 1CISP, in collaboration with Cooperative Federations, has been actively organizing and delivering training programs to benefit all its members</p> <p>Trainings provided to members</p>	

Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p>The function of the Board of Directors to provide fair treatment and protection of the members is clearly outlined and emphasized in the 1CISP's code of good governance.</p> <p>1CISP Code of Good Governance, which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p>The policy on a transparent framework can be found in the Code of Governance of 1CISP.</p> <p>https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	
<p>Principle 15: A mechanism for employee participation should be developed to create a symbolic environment, realize the company's goals and participate in its corporate governance processes.</p>			
Recommendation 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>	<p>COMPLIANT</p>	<p>The Board recognized the significance of employee growth and involvement in the adoption of 1CISP's Five Year Strategic Plan. This strategic plan, which outlines the cooperative's goals and objectives for the next five years, can be accessed on 1CISP's website under "Annual Report 2022" at: https://1cisp.coop/documents/AR/AR2022.pdf</p>	
Recommendation 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>	<p>COMPLIANT</p>	<p>The anti-corruption policy of 1CISP is enshrined in the cooperative's code of ethical standards for officers and members. This policy, which aims to promote integrity, transparency, and accountability within the organization, can be accessed on 1CISP's website at:</p> <p>https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.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>	<p>COMPLIANT</p>	<p>The Board of Directors, through a Memorandum and an orientation, is disseminating the approved policies and programs to the employees of 1CISP.</p> <p>Attendance of employees</p>	
<p>Recommendation 15.3</p>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p>	<p>COMPLIANT</p>	<p>The Board of Directors of 1CISP has approved a whistleblowing policy, which enables employees to freely communicate their concerns regarding any illegal practices within the organization.</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>COMPLIANT</p>	<p>Whistleblowing policy, which can be viewed on 1CISP website at: https://1cisp.coop/documents/POLICIES/whistleblowing-Policy.pdf</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>		

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

Recommendation 16.1

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p>In 2022, despite the challenges posed by the coronavirus pandemic, the Cooperative remained dedicated to its commitment to environmental sustainability and conducted a tree planting activity.</p> <p>List of 2022 CSR Activity</p>	
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CERTIFICATION

The undersigned certifies 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.

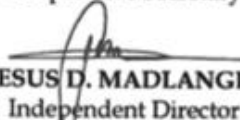
Signed in the City of QUEZON CITY on the MAY 30 2023 2023.

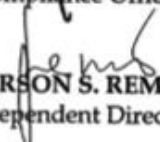

REV. FR. ANTONIO CECILIO T. PASCUAL
 Chairman of the Board


ROY S. MICLAT
 President


ATTY. LYMAN A. MANZANARES
 Cooperative Secretary


CECILIA M. LAGUNA, CPA
 Compliance Officer


COL. JESUS D. MADLANGBAYAN
 Independent Director

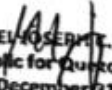

JERSON S. REMO
 Independent Director

SUBSCRIBED AND SWORN to before me this 30th 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 document as follows:

NAME	ID NO.
REV. FR. ANTONIO CECILIO T. PASCUAL	
ROY S. MICLAT	
ATTY. LYMAN A. MANZANARES	
CECILIA M. LAGUNA, CPA	
COL. JESUS D. MADLANGBAYAN	
JERSON S. REMO	

NOTARY PUBLIC

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 Series of 2023.


ATTY. MICHAEL JOSE M. CAPINPIN
 Notary Public for Quezon City
 Valid Until December 31, 2023
 PTR No. 3916671 / 03-03-2023
 IBP Life Time No. 8330
 Roll No. 56499
 MCLE Compliance No. VII-0018871
 Valid Until April 14, 2025
 Adm. Matter NP 119 (2022-2023)
 101 Malakas Lane Brgy. Central Q.C.