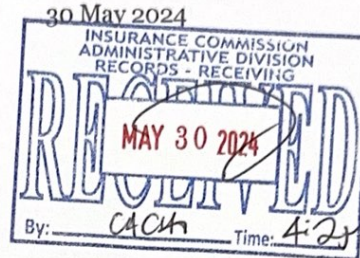




1CISP RECEIVING COPY

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE (1 CISP)
1CISP Bldg., #11 Mapagbigay cor. Maunlad Sts., Brgy. Pinyafan, Diliman, Quezon City
Telephone No.: (02) 8 556 2700
Website: www.1cisp.coop

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 2023**

Dear Commissioner Regalado:

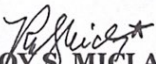
In compliance with the Insurance Commission (IC) Circular Letter No. 2020-72, **1 Cooperative Insurance System of the Philippines Life and General Insurance ["Cooperative"]** is courteously submitting its **Annual Corporate Governance Report (ACGR) for CY 2023**.

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

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

Thank you.

Yours in cooperation,


ROY S. MIELAT
President

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, 2021
2. Certificate Authority Number 2024/01-R
3. Philippines
Province, Country or the jurisdiction or incorporation or organization
4. 11 Mapagbigay cor. Maunlad St., Brgy. Pinyahan 1100
Central District, Diliman, Quezon City Postal Code
Address of principal office
5. 8-556-27-00 / 7-0920-529
Company's telephone number, including area code
6. <https://1cisp.coop/>
Company's official website
7. Former address: 80 Malakas St., Brgy. Pinyahan, Quezon City
Former name, former address, and former fiscal year, if changed since last report.

COMPANY NAME: [1 Cooperative Insurance System of the Philippines](#)
[Life and General Insurance \(1CISP\)](#)

CERTIFICATE AUTHORITY NUMBER: [2021/01-R](#)

FISCAL YEAR END: [31 December 2023](#)

COMPANY'S OFFICIAL WEBSITE: <https://1cisp.coop/>

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.			
	COMPLIAN/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
The Board's Governance Responsibilities			
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 is composed of leaders from primary cooperatives across the Philippines who are mostly licensed certified public accountants, retired generals, veterans in the insurance industry.	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		The curriculum vitae of each

<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.</p>	<p>COMPLIANT</p>	<p>member of the Board of Directors may be viewed here:</p> <p>Board of Directors Curriculum Vitae</p> <p>Anent the qualification standards, each directors are required to attend Cooperative Development Authority's mandated training, and they are each provided a copy of the Code of Governance using the following link:</p> <p>1CISP By-Laws (page 4, Article IV- Board of Directors), which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>Board of Directors List of Trainings Attended</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	
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Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>All of 1CISP's Directors are non-executives. Most importantly, out of 9, 2 of those are independent directors in compliance with the IC Circular Letter.</p> <p>1CISP Board of Directors 2023</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 on 1CISP's policy on training the directors may be seen in Section 4, Article 4 of its Code of Governance Manual.</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>Aside from that, the board of directors is provided with training throughout the year. the training conducted may be seen in the following link</p> <p>Board of Directors List of Trainings Attended</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 provides that the Directors should be given appropriate orientation following their assumption of office so that they are familiar with their roles and responsibilities.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p> <p>The board of directors are provided with training throughout the year. the training conducted may be seen in the following link</p> <p>Board of Directors List of Trainings Attended</p>	

Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Board of Directors created a Gender and Development Committee which focuses on the diversity among the leaders of 1CISP. it can be found in Article VI-A, Section 7 of 1CISP's Bylaws.</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at:</p>	

		https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf 1CISP By-laws, Article VI-A, Section 7 (Page 15) , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf	
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Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	<p>The duties and responsibilities of the Co-operative Secretary may be found in Section 3, Article V of 1CISP’s By-laws.</p> <p>1CISP By-laws, Section 3, Article V-Officers (page 10), which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>Corporate Secretary Curriculum Vitae</p>	

<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>COMPLIANT</p>	<p>The Compliance Officer is Ms. Cecilia M. Laguna, Executive Vice President and Chief Operating Officer, which is different from the appointed Co-operative Secretary, Atty. Lyman A. Manzanares</p>	
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>COMPLIANT</p>	<p>The designation of Ms. Laguna as 1CISP's Compliance Officer may be accessed through this:</p> <p>Designation of Compliance Officer</p> <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>The Cooperative Annual Progress Report of 1CISP, in lieu of GIS of Corporations, states that the person of Co-operative Secretary is different from the persons of the Board of Directors.</p> <p>The CAPR of 1CISP may be viewed at https://1cisp.coop/capr.php</p> <p>1CISP By-Laws, Section 1, Article V. (Page 10), which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-</p>	

		laws.pdf	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Atty. Lyman Manzanares attended a corporate governance training provided by Cooperative Development Authority's accredited training provider from September 7 to 12, 2023.</p> <p>Certificate of Completion, Governance and Management of Cooperatives</p> <p>Board of Directors List of Trainings Attended</p>	

Recommendation 1.6			
1. Board is assisted by a Compliance Officer	COMPLIANT	Ms. Cecilia M. Laguna, the concurrent Executive Vice President and Chief Operative Officer of 1CISP, was	

		<p>appointed as the Compliance Officer of 1CISP.</p> <p>The appointment, along with her duties as a Compliance Officer, may be seen at:</p> <p>Appointment Letter Compliance Officer Curriculum Vitae.</p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	<p>As reflected in the CAPR, Ms. Laguna is not listed as one of the members of the Board of Directors.</p> <p>The CAPR of 1CISP may be viewed at the 1CISP website at: https://1cisp.coop/capr.php</p>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p>1CISP Board of Directors</p> <p>1CISP Senior Management and Officers</p>	
4. Compliance officer attends trainings/s on corporate governance annually	COMPLIANT	<p>Ms. Laguna attended a corporate governance training provided by Cooperative Development Authority's accredited training provider from September 7 to 12, 2023.</p> <p>Certificate of Completion, Governance and Management of Cooperatives</p>	

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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
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	<p>The duties and responsibilities of the Board of Directors are stated in the following:</p> <ul style="list-style-type: none">1. 1CISP’s Bylaws under Section 15, Article IV.2. 1CISP Code of Governance, <p>The Bylaws of 1CISP, may be viewed at 1CISP website at: https://1cisp.coop/documents/PO LICIES/2023%20Amended%20By-laws.pdf</p> <p>The Code of Governance which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</p>	

		<p>The undersigned Board of Directors and Co-operative Secretary attests that the Board acted on a fully informed basis, in good faith, with due diligence and care, with and in the best interest of the company during its meeting.</p> <p>Further, all acts of the Board of Directors through board resolutions were submitted to the General Assembly for ratification</p> <p>List of Board of Directors Resolutions, which may be viewed under “Annual report 2023” at https://1cisp.coop/documents/AR/AR2023.pdf</p> <p>Minutes of 1CISP 49th Annual General Assembly, which may be viewed at 1CISP Website at: 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	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.	

2. Board oversees and monitors the implementation of the company's business objectives and strategy to sustain the company's long-term viability and strength.	COMPLIANT	<p>1CISP Annual Report 2023 (Five Year Strategic Plan)</p> <p>As a result, the Board of Directors presented to the Annual General Assembly (Shareholders) the 1CISP's Five Year Strategic Planning during the Annual General Assembly Meeting.</p> <p>Each member was also given a copy of 1CISP's Annual Report, including the written Annual Report for 2023. which may be viewed at 1CISP Website at:https://1cisp.coop/documents/AR/AR2023.pdf</p>	
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Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Rev. Fr. Antonio Cecilio T. Pascual's profile and qualifications may be seen in the attached curriculum vitae.</p> <p>1CISP Chairperson Curriculum Vitae</p>	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	COMPLIANT	1CISP is continuously expanding its business market and ventures. The management is ensuring and securing its operation to be stable and adaptive to change. The Officers and Management formulated a Succession Plan for the forthcoming of 1CISP.	
2. The board adopts a policy on the retirement of directors and key officers.	COMPLIANT	The Board of Directors, through a board resolution in 2013 approved 1CISP's retirement policy. 1CISP Retirement Policy	

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. By-Laws pg. 7	

2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<p>Section 12, Article IV of 1CISP’s By-laws provides that the remuneration of the Board of Directors shall be approved by the Annual General Assembly.</p> <p>1CISP Bylaws, which may be viewed at CISP Website at:https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p>	
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Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>Section 1, Article VI-A of 1CISP’s Bylaws provides that 1CISP has a separate committee – Election Committee- elected by the General Assembly (Shareholders), which is primarily responsible for handling the nomination and election of the Board of Directors.</p> <p>Section 7, Article IV of 1CISp’s By-laws provides the election and term of the Board of Directors</p>	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	1CISP Bylaws, which may be viewed at CISP Website. The election guidelines of the Board of Directors and committees were presented to the Annual General Assembly Meeting.	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders	COMPLIANT	Minutes of the Annual General Assembly Meeting, which may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	Election Guidelines	
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		

Recommendation 2.7			
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.	COMPLIANT	<p>The Board of Directors approved BOD Resolution No. 077 s. 2023 appointing a Related Party Transactions Committee to handle the RPT transactions of 1CISP</p> <p>1CISP Committees 2023 (Related Party Transactions Committee)</p> <p>The Board of Directors recently approved the AMLC policy which incorporates policies on related party transactions.</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p>Related Party Transactions Policy.</p> <p>The RPT Committee, submitted its reports to the Insurance Commission</p> <p>Related Party Transactions Reports 2023</p>	

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>1CISP Bylaws (p. 10, Article V - Officer, Sec. 1 - Appointment, Term, and Compensation of Officers)</p> <p>Secretary's Certificate - List of Board of 2023</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>It may be seen in the performance assessment of the top management policy that the board of directors is the primary responsible for evaluating the performance of the CEO and key officers.</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		

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	<p>Section 4 of Article IV of the Code of Good Governance of ICISP states that part of the roles of the Board are to be clearly defined and documented. These should include the following: Setting the cooperative Mission & Vision, approving the strategic plan, ensuring a framework for adequate internal controls, reviewing management performance, and setting standards.</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		

		<p>Code of Good Governance which may be viewed at 1CISP website.</p> <p>Also, the Board of Directors approved a CASA.</p> <p>1CISP Board Policy No. 001-2020 Revised Codified Approving and Signing Authority (CASA) ver. 2</p>	
3. Board approves the Internal Audit Charter.	COMPLIANT	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 is 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		
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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	<p>The Board of Directors approved a code of governance and code of ethical standards to serve as a guide of the Board in performing their responsibilities and fiduciary duties.</p> <p>Board and Officers duties and responsibilities, By-Laws (p. 7).</p> <p>Include by-laws provision on the responsibilities of BOD. Insert code of governance link/bod manual link.</p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	<p>The Board Manual may be viewed at CISP Website. https://1cisp.coop/policies.php Insert link</p>	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	<p>The Board Manual may be viewed at CISP Website. https://1cisp.coop/policies.php</p>	

		<p>The Code of Good Governance which may be viewed at 1CISP website. <a href="https://1cisp.coop/documents/POL
ICIES/Code-of-Good-
Governance.pdf">https://1cisp.coop/documents/POL ICIES/Code-of-Good- Governance.pdf</p>	
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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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	1CISP Committees 2023 , which may be view at https://1cisp.coop/documents/AR/AR2023.pdf, pages 47-49. Insert bod resolution appointing committees	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Section 3 of Article VI-A of 1CISP By-laws states the functions, membership, and qualifications of the audit Committee. 1CISP Bylaws (p.13, Article VI-A - Committees, Sec. 3 - Audit Committee) , which may be viewed at CISP Website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf	

		<p>General Assembly Resolution for the appoint of Audit and Inventory Committee may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf, pages 38-39.</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>	COMPLIANT	<p>All of the members of the Audit Committee are Certified Public Accountants which are non-executive directors.</p> <p>The profile of the members, as well as the training of the Audit Committee, may be seen below:</p> <p>1CISP Committees 2023 (Audit Committee)</p> <p>Curriculum Vitae - Audit Committee</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	COMPLIANT	<p>Audit and Inventory Committee Trainings Attended</p>	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Profile of the Chairman of the Board and Audit Committee may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf , pages 154 & 160-161.	
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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>Section 8 Article VI-A of 1CISP's By-laws provides for the membership, functions, and qualification of the Governance Committee.</p> <p>1CISP Bylaws (p.15, Article VI-A - Committees, Sec. 8 - Other Committees), which may be viewed at CISP Website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>1CISP Committees 2023 (Governance Committee)</p> <p>Curriculum Vitae of Governance Committee</p>	

2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	<p>The Governance Committee is composed of 6 members, two of whom are Independent Directors.</p> <p>The Chairperson of the Governance Committee is Mr. Jerson Remo, Independent Director.</p> <p>The membership of the Governance Committee may be seen at 1CISP's CAPR submitted to the CDA.</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<p>1CISP Corporate Governance Committee may be viewed in 1CISP website at: https://1cisp.coop/documents/AR/AR2023.pdf pages 160-161.</p> <p>1CISP Committees 2023 (Governance Committee)</p>	

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>The Board of Directors, through BR 073 s. 2023, dated April 27, 2023, appointed the members of the Risk and Management Committee.</p> <p>The summary of the board resolutions is incorporated in the Annual Report 2023, on page 48, which may be viewed at CISP Website at: https://1cisp.coop/documents/AR/AR2023.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	<p>Although the Chairperson of the Risk Management Committee is not an Independent Director, the committee was composed of 3 members.</p> <p>Risk Management Committee Curriculum Vitae</p> <p>1CISP 2023 Committees</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>1CISP 2023 Committees</p> <p>2023 Summary of Board Resolutions</p> <p>Please refer to Board Resolution No. 067 s. 2023 dated April 28, 2023,</p>	

		<p>for the composition and appointment of Governance Committee</p> <p>Composition of 1CISP Board of Directors may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf pages 154-159.</p>	
<p>4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>All of the members of the Risk and Management Committee are veterans of risk management as they are managing their respective primary cooperatives.</p> <p>The profile of each member of the committee may be seen below: Curriculum Vitae of the Risk Management Committee</p>	

Recommendation 3.5			
<p>1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>The Board of Directors, through BR 071 s. 2023, dated April 28, 2023, appointed the members of the Related Party Transaction Committee</p>	
		<p>The Committee is composed</p>	

2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	<p>of 3 members.</p> <p>Summary of 2023 Board Resolution</p> <p>1CISP 2023 Committees (Related Party Transaction (RPT) Committee)</p> <p>Composition of 1CISP Board of Directors may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf pages 154-159</p>	
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Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>The Board of Directors approved a Code of Ethical Standards, which the Officers and Members must adhere to.</p> <p>1CISP Board Manual (Code of Ethical Standards for Officers and Members)</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICES/Code-of-Good-Governance.pdf</p> <p>1CISP Board Manual (Code of Ethical Standards for Officers and Members)</p>	

2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	Performance Assessment of the BOD	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	1CISP Code of Good Governance , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICES/Code-of-Good-Governance.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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 4.1			
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 with the rules and regulations of the Commission.	COMPLIANT	The Cooperative has been conducting a monthly regular board meeting attended by the Board of Directors. The excerpts of the minutes indicating the attendance may be seen below: Excerpts of the Minutes of the Board and Committee Meetings 2023. Attendance	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	2023 Regular Board Meeting, Notice of Meeting The Board of Directors is being given a Notice of Meeting before and after the board meeting. 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 Board of directors are asking for clarifications on the matter being discussed.	
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Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>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 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 may be viewed at CISP Website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf Performance Assessment of the BOD</p>	

Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	<p>Directorship in other cooperatives refers to the cooperative being represented. As a result, a board of directors cannot become a director in another cooperative unless the cooperative approves the appointment through a Board Resolution. We provide a BOD Resolution authorizing a representation to another cooperative.</p> <p>1CISP Board Resolution No. 084 s. 2023</p>	

Principle 5: The board should endeavour to exercise an objective and independent judgement on all corporate affairs.			
	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	2 out of 9 directors, or 22%, of 1CISP, are independent directors. The CAPR submitted to the Cooperative Development Authority (CDA), will reflect the total number of the Board of Directors with respective positions, which may be viewed at CISP Website at: https://1cisp.coop/capr.php Composition of 1CISP Board of Directors may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf pages 154-159	

Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	<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>1CISP Bylaws (p. 4, Article IV - Board of Directors, Sec. 5- Qualifications of Independent Director), which may be viewed at t CISP Website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>Curriculum Vitae of Independent Directors</p>	

Recommendation 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 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>1CISP Bylaws (p. 5, Article IV - Board of Directors, Sec. 8 - Term Limit of Independent Directors), which can be viewed at t CISP Websie at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>Independent Directors may serve 1CISP in 5 consecutive years term of service which may be viewed at 1CISP By-laws, pages 5-6.</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	<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>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>	<p>COMPLIANT</p>	<p>1CISP Bylaws (p. 5, Article IV - Board of Directors, Sec. 8 - Term Limit of Independent Directors), which can be viewed at t CISP Website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>The Independent Directors have not served more than the required cumulative nine- year term.</p> <p>Independent Directors may serve 1CISP in 5 consecutive years term of service which may be viewed at 1CISP By-laws, pages 5-6.</p>	
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Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>COMPLIANT</p>	<p>Fr. Pascual the appointed Chairperson is a different person from the appointed Chief Executive Officer, Mr. Miclat which can be seen in 1CISP's CAPR submitted to the Cooperative Development Authority.</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>The duties of the Chairperson may be seen under Section 16 of Articles IV of the By-laws, while the responsibilities of the CEO may be seen under Section 2, Article V of the same.</p> <p>A quick glance at the two provisions would entail a difference.</p> <p>Composition of 1CISP Board of Directors may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf pages 154-159.</p> <p>1CISP Bylaws (p. 9, Article IV - Board of Directors, Sec. 16- Powers and Duties of the Chairperson; and p. 10, Article V - Officers, Sec. 2 - Duties of the President), which may be viewed at 1CISP website at https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICES/Code-of-Good-Governance.pdf</p>	
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Recommendation 5.5

1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	<p>The position of Chairman of the Board of Directors and the CEO/President are held by different persons.</p> <p>Composition of 1CISP Board of Directors may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf pages 154-159.</p>	
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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	<p>Under the RPT Policy, the related party transactions shall be reported to the RPT Committee and to the Board of Directors.</p> <p>Related Party Transaction Policy</p> <p>2023 RPT Report</p>	
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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>The Board of Directors conducted several meetings with the External Auditors as certified by the Chief Finance Officer and Accountant.</p> <p>Meeting of External Auditors and Internal Audit 2023</p>	
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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	The Board of Directors approved and is implementing a performance assessment of the Board of Directors. Performance Assessment of the BOD	
2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT		
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT		
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT		

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	<p>The Board of Directors approved and is implementing a performance assessment of the Board of Directors that provides criteria.</p> <p>Performance Assessment of the BOD</p>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p>The website allows shareholders to share its feedbacks and comments.</p> <p>- https://1cisp.coop/contactus2.php</p>	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
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	<p>The Board approved Code of Ethical Standards for Officer and Employees laid down the norms of conduct in the performance of directors, officers members, and employees duties.</p> <p>Code of Ethical Standards may be viewed in 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.pdf</p>	

<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>The same was discussed and disseminated to all employees during the HR Orientation and posted in 1CISP's website</p> <p>Orientation Attendance Sheet</p>	<p>1CISP Policies are uploaded in the Cooperative's website</p>
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>Code of Ethical Standards which may be viewed in 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.pdf</p> <p>Direct website link: https://1cisp.coop/documents/POLICIES/Code-of-Conduct.pdf</p>	

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Disclosure and Transparency			
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 financial condition, results and business operations.	COMPLIANT	<p>The Board of Directors reports yearly to the Annual General Assembly the financial conditions, strategic plans, annual budget, and update on business operations.</p> <p>The minutes of the Annual General Assembly is incorporated in the Annual Report which may be viewed in 1CISP website under https://1cisp.coop/documents/AR/AR2023.pdf</p> <p>Audited Financial Statements may be viewed in 1CISP website under https://1cisp.coop/documents/AR/AR2023.pdf pages 67-140.</p>	

Recommendation 8.3			
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.	COMPLIANT	The 1CISP Board of Directors conducted a regular board meeting held every month and executive session, as necessary. Proof of Attendance is attached herewith: BOD Attendance	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT		

Recommendation 8.4			
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	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.	
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.	COMPLIANT		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	1CISP Bylaws which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf	

Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>The 1CISP is reporting quarterly and annually before the Insurance Commission on its Related Party Transactions.</p> <p>Related Party Transactions reports 2023</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		

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>The Board approved the policy on good governance which was published in 1CISP's website.</p> <p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICES/Code-of-Good-Governance.pdf</p>	1CISP Policies are uploaded in the Cooperative's website
2. Company's MCG is posted on its company website.	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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
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 implemented - -which was presented to the Board – a comprehensive Audit Committee Guidelines, which includes the responsibility to recommend external auditor to the Board of Directors. Audit Committee Guidelines	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Section 4.2 of the Audit Committee Guidelines provides that the Committee shall assess the fees of the External Auditors Section 4 of the Audit Committee Guidelines	

<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>Appointment of the new External Auditors happens annually through a General Assembly.</p> <p>The Cooperative has yet experience any removal of the external auditor.</p> <p>Minutes of the Meeting 1CISP 49th Annual General Assembly, p 26- Appointment of the New External Auditor for CY 2023</p>	
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Recommendation 9.2			
<p>1. Audit Committee Charter include Audit Committee's responsibility on:</p> <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>Section 4 of the Audit Committee Guidelines represent the roles of the Audit Committee in relation to the assessment of integrity of external auditors and to exercise its judgement and monitor the audit process.</p> <p>Audit Committee Guidelines Audit and Inventory Committee Guidelines (page 2, Item 4 - Roles and Responsibilities of Audit Committee)</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	COMPLIANT		

Recommendation 9.3			
<p>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.</p>	COMPLIANT	<p>2023 Audited Financial Statements The External Auditors only provide audit and assurance services to 1CISP</p>	

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	2023 Audited Financial Statements The External Auditors only provide audit and assurance services to 1CISP	
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	The Cooperative has a sustainability Report posted on its website Sustainability Report , which may be viewed at 1CISP website at: https://1cisp.coop/documents/Sustainability%20Plan.pdf	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT		

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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Website: https://1cisp.coop/ FB Page: https://www.facebook.com/1CISP/	

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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Internal Control System and Risk Management Framework			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The effective and internal contract system is reflected in Section F of the Revised Internal Audit Manual	
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	The Board of Directors appointed the members of the Internal Audit team of 1CISP. The Department shall be directly reporting to the Audit Committee. BOD Resolution No. 116 & 187 s. 2019	

Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>The ICISP 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	<p>List of Internal Audit Head's Duties and Responsibilities</p>	
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	<p>Currently, the Internal Audit Committee can handle the volume of the internal audit activity and does not yet require the outsourcing of internal audit activity.</p>	

Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>During the Regular Meeting of the Board of Directors on April 28, 2023, it appointed a Risk Management Committee to handle the risk</p>	

		<p>management function for 1CISP.</p> <p>Board Resolution for the appointment of Risk Management Committee may be viewed at https://1cisp.coop/documents/AR/AR2023.pdf page 48.</p> <p>The members of the risk management committee is incorporated in CAPR</p> <p>CAPR, which may be viewed at 1CISP website at:https://1cisp.coop/capr.php</p>	
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Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>The management appointed Ms. Aiza G. Malonzo as 1CISP's Chief Risk Officer.</p> <p>Her appointment, along with the responsibilities of being the Chief Risk Officer can be seen on the Appointment Letter</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT		

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Cultivating a Synergic Relationship with Shareholders			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Article 7 of the Code of Corporate Governance the role and the rights of the General Assembly.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	1CISP Code of Good Governance , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf 1CISP Bylaws , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/2023%20Amended%20By-laws.pdf	

Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	<p>The Notice of the Annual General Assembly was posted in the newspaper of general circulation on February 21, 2023 or 47 days before the Annual General Assembly Meeting.</p> <p>Newspaper Clipping of Notice of Annual General Assembly</p>	

Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>The results of the 50th General Assembly Election Result may be viewed on pages17-18 of the Minutes of the General Assembly.</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.	COMPLIANT	<p>The minutes of the of the General Assembly is incorporated on the Annual Report posted on the 1CISP's Official Website at https://1cisp.coop/ar.php</p>	

Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p>The Cooperative has been submitting a report of mediation and conciliation submitted to the Cooperative Development Authority semi-annually.</p> <p>Report on Mediation/ Conciliation</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p>1CISP Code of Good Governance, which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf</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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Duties to Stakeholders			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	The 1CISP, in partnership with Federations, has been providing trainings to all its members. Training provided to members.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	The function of the Board of Directors to provide fair treatment and protection of the members is embodied in the 1CISP's code of good governance. 1CISP Code of Good Governance , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf	

Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	The policy on transparent framework may be viewed under the Code of Governance https://1cisp.coop/documents/POLICIES/Code-of-Good-Governance.pdf	

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.			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	The Board included growth and involvement of the employees in the adoption of 1CISP’s Five Year Strategic Plan, which may be viewed at 1CISP website at: https://1cisp.coop/documents/AR/AR2023.pdf 1CISP Annual Report 2023 (Five Year Strategic Plan)	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	The anti-corruption policy is embodied in 1CISP’s code of ethical standards for officers and members which may be viewed in 1CISP website at: https://1cisp.coop/documents/POLICIES/Code-of-Ethical-Standards.pdf	

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	The Board of Directors, through a Memorandum, is disseminating the approved policies and programs to the employees of 1CISP. Attendance of employees	
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Recommendation 15.3			
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.	COMPLIANT	The Board of Directors approved a whistleblowing policy that allows employees to freely communicate their concerns about illegal practices. Whistleblowing policy , which may be viewed at 1CISP website at: https://1cisp.coop/documents/POLICIES/whistleblowing-Policy.pdf	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT		

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.			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		IMPORTANT NOTE: The hyperlinks attached to these sections will proceed to the first page of the said document. Please proceed to the exact page/section/paragraph as indicated in each item.	
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	In 2023, the Cooperative conducted several CSR Activities, including tree planting. List of 2023 CSR Activities	