

**NATIONAL CONFEDERATION OF COOPERATIVES MUTUAL
BENEFITS ASSOCIATION, INC. (NATCCO MBAI)
WHISTLEBLOWING POLICY**

SECTION 1. INTRODUCTION

National Confederation of Cooperatives Mutual Benefits Association, Inc. (NATCCO MBAI) is a duly licensed provider of microinsurance coverage for various risks involving life, accident, sickness and other contingencies. NATCCO MBAI was established in 2009 to further support the NATCCO Network in its needs to provide microinsurance products to its members. Since then, it has been extending financial assistance to members and their dependents, in the form of death benefits, sickness benefits, provident savings, and loan redemption assistance.

SECTION 2. WHAT IS FRAUD AND GRAVE MISCONDUCT?

In general, fraud is defined as the intentional distortion of truth in order to induce another party to part with something of value or to surrender a legal right.

Fraud, as defines by the International Association of Insurance Supervisors, is a deceptive act or omission intended to gain advantage for a party committing the fraud (the Fraudster) or for other parties.

Misconduct on the other hand is a behaviour or activity that is considered illegal or morally wrong. It may be an intent to do a wrong action specifically a deliberate violation of the organizations' rules and policies.

SECTION 3. PURPOSE OF THIS WHISTELBLOWING POLICY

NATCCO MBAI requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the association, there must be a practice of honesty and integrity in fulfilling all responsibilities and to comply with all applicable laws and regulations.

This Whistleblowing Policy aims to give all employees and members the confidence to raise concerns about wrong behavior and practice, and to mitigate risks and losses through the early discovery of irregular activities. NMBAI commits itself to break down communication barriers and provide a safe internal communication channel for all employees to express their concerns through the enactment of the Policy, which allows for anonymous disclosures and

the protection of informants from sanctions under specific conditions. The policy covers all reports or information in relation to actual or suspected fraud, misconduct activities, unlawful acts or omissions, violations of the Code of Conduct, danger to health and safety, improprieties or malpractice in the workplace, including those relative to matters of financial reporting, internal control and/or auditing.

All employees, regardless of position or rank, who are witnesses to anomalies in the workplace are obliged to speak up and report the same personally or in writing to his/her unit head or any of the following officers, verbally or in writing.

SECTION 4. REPORTING MISCONDUCT AND FRAUDULENT ACTIVITY

- a. In case any member sees or suspects a fraudulent activity involving any co-member, management or staff, he/she should report it immediately to the proper authority through personal appearance, snail mail, email, or SMS message.
- b. In case any employee sees or suspects a fraudulent activity is happening, he/she must report it to his/her manager, or directly to the proper authority in case his/her manager is involved, using “Whistleblowing Incident Report Form”. In turn, any manager who receives such report must immediately notify and forward the Incident Report Form to Whistleblowing Coordinator.
- c. The Whistleblowing Coordinator will make a preliminary evaluation as to whether the matter appears to be illegal and/or fraudulent. If fraud is detected, he/she will initiate a full internal investigation. (*Refer to the section on Special Investigation Unit*) and notify the following, as applicable: MBA President/General Manager, Internal Audit, HR / Legal. The report should be treated with utmost confidentiality.
- d. **Reporting Concerns**
Employees should first discuss their Concern with their immediate supervisor. If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe the Concern is valid, the individual should report the concern to the Whistleblowing Coordinator. If the Concern was reported verbally to the coordinator, the reporting individual, with assistance from the coordinator, shall reduce the Concern to writing. The Whistleblowing Coordinator is required to promptly report the Concern to the Related- Party Transaction (RPT) Committee, who has specific and exclusive responsibility to investigate all Concerns. Concerns may also be submitted anonymously. Such anonymous Concerns should be in writing and sent directly to the Chair of the RPT Committee.
- e. **Handling Reported Violations**
The RPT Committee shall address all reported Concerns. The Chair of the RPT Committee shall immediately notify the Audit Committee. The Chair of the RPT Committee will notify the sender and acknowledge receipt of the Concern within five working days. All reports will be promptly investigated, and appropriate

corrective action will be recommended to the Board of Directors, if warranted by the investigation. In addition, action taken must include a conclusion and/or follow-up with the complainant for complete closure of the Concern. The RPT Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations.

f. **Acting in Good Faith**

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed indicates improper accounting or auditing practice, or a violation of the Codes. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions including civil lawsuits.

g. **Confidentiality**

Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

SECTION 5. NMBAI HOTLINE/CONTACT INFORMATION

Members or employees who want to report any incident may use the following:

Address: NATCCO MBAI, 3/F NATCCO Bldg., 227 JP Rizal St., Project 4, QC

Email : mgtejada@natcco.coop / natcco_mgtejada@yahoo.com

Tel. Nos.: 02-9623408 / 0998-5946712

SECTION 5. INCIDENT REPORT FORM

NATCCO MBAI: INCIDENT REPORT

NAME:	DATE:
DEPARTMENT/UNIT:	
Person(s) Involved & Department:	
Act(s) Committed: When (Date and Time): What: Others: Details:	
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; text-align: center;"> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Signature over printed name </div> <div style="width: 45%; text-align: center;"> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date: </div> </div>	
Received by: Name and Signature: Date:	
FOR WHISTEBLOWING POLICY COORDINATOR'S USE ONLY:	
Type: <input type="checkbox"/> Complaint <input type="checkbox"/> Fraud Tracking Number: _____	