

	BOARD DIVERSITY POLICY	NATCCO MBAI-GOV-11-2021	
		Revision Code: 0	Page 1 of 3
Policy Area: GOVERNANCE		Effective Date: 03/13/2021	

1. INTRODUCTION

The NATCCO MBAI Board Diversity Policy will ensure that groupthink will be avoided and optimal decision-making is achieved. This will guarantee the Board's right mix of trustees that is beneficial to its operations and ultimately to its members.

This is also in compliance with Recommendation #1.4 of the IC Revised Corporate Governance.

2. POLICY STATEMENT

NATCCO MBAI recognizes and supports the benefits of having a diverse Board and sees increasing diversity at Board level as an important element in maintaining sound corporate governance, realization of sustainable and balanced development and in achieving strategic objectives.

Board diversity will be considered from varied aspects when designing the Board's composition, including but not limited to gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, and length of service of directors and other regulatory requirements. The Board will likewise strive to ensure that there is independence and appropriate representation of women in the Board.



These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made on merit based on objective criteria, taking into consideration the skills, experience, independence and knowledge.

3. APPLICABILITY

This Policy applies to all members of the Board of Trustees of NATCCO MBAI.

4. Procedures

- 4.1. The Board reviews and assesses the structure, size and composition of the Board
- 4.2. The Nomination Committee examines the selection standards, nomination and recruitment process of trustees.

Reviewed and Endorsed by:  EVELIA BARDOS-TIZON Corporate Governance Committee Chairperson Date: 03/13/2021	Approved by:  ELLEN R. PASTORES BOT Chairperson Date: 03/13/2021
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	BOARD DIVERSITY POLICY	NATCCO MBAI-GOV-11-2021	
		Revision Code: 0	Page 2 of 3
Policy Area: GOVERNANCE		Effective Date: 03/13/2021	

4.3. The Corporate Governance Committee oversees the conduct of the annual review of Board effectiveness. The annual review will consider the benefits of all aspects of diversity including, but not limited to, those cited in the policy statement.

4.4. To avoid groupthink, the composition of the Board must include expertise or working knowledge on, but not limited to:

- 4.4.1. Insurance
- 4.4.2. Legal
- 4.4.3. Finance and Audit
- 4.4.4. Information Technology
- 4.4.5. Taxation
- 4.4.6. Risk Management
- 4.4.7. Cooperative Management
- 4.4.8. Human Resource
- 4.4.9. Sales and Marketing
- 4.4.10. Corporate Governance
- 4.4.11. Total Quality Management
- 4.4.12. Research and Development



4.5. Women representation in the Board must be at least two (2), subject to compliance with the provision in paragraph 4.4.

4.6. Monitoring and Reporting

The Board of Directors, Nomination Committee and the Corporate Governance Committee will monitor compliance with reference to their respective roles in this policy, as provided for in paragraphs 4.1, 4.2 and 4.3.

5. SEPARABILITY CLAUSE

If any provision or part of this policy is declared invalid, the remaining parts or provisions not affected must remain in full force and effect.

Reviewed and Endorsed by:  EVELIA BARDOS-TIZON Corporate Governance Committee Chairperson Date: 03/13/2021	Approved by:  ELLEN R. PASTORES BOT Chairperson Date: 03/13/2021
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	BOARD DIVERSITY POLICY	NATCCO MBAI-GOV-11-2021	
		Revision Code: 0	Page 3 of 3
Policy Area: GOVERNANCE		Effective Date: 03/13/2021	

6. AMENDMENTS

This Policy may be amended or modified only by a written instrument, executed by the Corporate Governance Committee and approved by the Board of Trustees.

7. DATE OF EFFECTIVITY

This policy shall take effect on the date of its approval by the Board of Trustees.

Reviewed and Endorsed by:  EVELIA BARDOS-TIZON Corporate Governance Committee Chairperson Date: 03/13/2021	Approved by:  ELLEN R. PASTORES BOT Chairperson Date: 03/13/2021
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