

ANNUAL CORPORATE GOVERNANCE REPORT OF
NOVO ECIJANO TEACHERS' MUTUAL BENEFIT ASSOCIATION, INC.

1. For the fiscal year ended 2023
2. Certificate Authority Number 2019-26-R
3. Nueva Ecija, Philippines
Province, Country or other jurisdiction of incorporation or organization
4. 228 Gabaldon Street, Brgy. San Roque, Cabanatuan City 3100
Address of principal office Postal Code
5. (044) 463-9112
Company's telephone number, including area code
6. www.novo.com.ph
Company's official website

| ANNUAL CORPORATE GOVERNANCE REPORT | | | |
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| | 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 | <i>Provide information or link/reference to a document containing information on the following:</i> <ol style="list-style-type: none"> 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance <p>The academic qualifications, industry knowledge, professional expertise, and background of the association's Board of Trustees can be seen in their respective personal data sheet.</p> | |
| 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 | | |

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| | | <p>The minimum qualifications, as stated in the Manual of Corporate Governance, are as follows:</p> <ol style="list-style-type: none"> 1. Must at least be a member of the Association in good standing 2. Must have a college education or equivalent academic degree; 3. Must be at least twenty-one (21) years old; 4. Must possess integrity and probity; 5. Must have a practical understanding of the business of the Company or previous business experience; and 6. Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable. <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |
| Recommendation 1.2 | | | |
| 1. Board is composed of a majority of non-executive directors. | COMPLIANT | <i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i> | |

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| | | <p>Only three members of the Board hold executive positions as seen on the List of Board of Trustees and Officers.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> | |
| Recommendation 1.3 | | | |
| <p>1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.</p> | <p>COMPLIANT</p> | <p><i>Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p>As part of the requirement as a Trustee, they are required to have attended trainings relating to corporate governance. Aside from this requirement, Trustees are asked to attend annual trainings on this subject.</p> <p>Under Section XI of the Board Charter, the Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the business and corporate governance environment. An annual continuing training for the Board members shall be done.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| 2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors. | COMPLIANT | <i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i> | |
| 3. Company has relevant annual continuing training for all directors. | COMPLIANT | <p>Under Section XI of the Board Charter, each Board member shall participate in an induction program that is tailored to effectively orient with NOVO's business, strategy, objectives, policies, procedures, operations, management and the business environment for effective and efficient performance on the Board to be able to exercise sound and objective judgment about the affairs of NOVO.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>As a requirement for being a Trustee stated in the Manual of Corporate Governance Section III, they must have already attended a training on corporate governance beforehand. NOVO aims to achieve and provide annual training.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf | |
| Recommendation 1.4 | | | |
| 1. Board has a policy on board diversity. | COMPLIANT | <p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p>Under Section V of the Board Charter, diversity is adopted by Novo believing this shall affect the long-term and short-term financial value of this institution which shall ultimately benefit its members. Diversity in the members of the board enhances the effectiveness of corporate leadership and ultimately the same shall promote more effective member relationships.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>Two out of nine of the Board of Trustees are female.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf | |
| Recommendation 1.5 | | | |
| 1. Board is assisted in its duties by a Corporate Secretary. | COMPLIANT | <i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i> | |
| 2. Corporate Secretary is a separate individual from the Compliance Officer. | COMPLIANT | Information on the Corporate Secretary can be found in her Personal Data Sheet. | |
| 3. Corporate Secretary is not a member of the Board of Directors. | COMPLIANT | http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Secretary-Personal-Data-Sheet.pdf Qualifications, duties and responsibilities of the Corporate Secretary can be seen through the Manual of Corporate Governance Section III.B.a and Section XV of the Board Charter. http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |

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| 4. Corporate Secretary attends training/s on corporate governance. | NON-COMPLIANT | <i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i> | No formal corporate governance training with certificates provided has been attended. |
| Recommendation 1.6 | | | |
| 1. Board is assisted by a Compliance Officer. | COMPLIANT | <i>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, qualifications, duties and functions.</i> | |
| 2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation. | COMPLIANT | Information on the Compliance Officer can be found in her Personal Data Sheet. | |
| 3. Compliance Officer is not a member of the board. | COMPLIANT | http://novo.com.ph/corporate-governance-2023/NOVO-Compliance-Officer-Personal-Data-Sheet.pdf Qualifications, duties and responsibilities of the Corporate Secretary can be seen through Section III.B.d of the Manual of Corporate Governance and Section XVI of the Board Charter. http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| 4. Compliance Officer attends training/s on corporate governance annually. | COMPLIANT | <i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i> | No formal corporate governance training with certificates provided has been attended. |

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

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| 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><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).</i></p> <p>Board of Trustees have the fiduciary duty to exercise a reasonable degree of care, skill and diligence and act in good faith and in the best interests of Novo and not for any other purpose.</p> <p>Board of Trustees duties and responsibilities are stated in the Manual of Corporate</p> | |
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| | | <p>Governance Section III.A, and under Section XIII of the Board Charter.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>Minutes of the Meeting can be accessed in the following links:</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Minutes-of-the-Meeting-for-the-year-2023.pdf</p> | |
| Recommendation 2.2 | | | |
| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | COMPLIANT | <i>Provide information or reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i> | |
| 2. Board oversees and monitors the implementation if the company's business objectives and strategy in order to sustain the company's long-term viability and strength. | COMPLIANT | <p><i>Indicate frequency of review of business objectives and strategy.</i></p> <p>Under Section II of the Board Charter, the Board is responsible for ensuring that the</p> | |

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| | | <p>strategies adopted promote sustainability of the company.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>Minutes of the Meeting can be accessed in the following links:</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Minutes-of-the-Meeting-for-the-year-2023.pdf</p> <p>Review of business objectives and strategy is made annually during the annual general meeting or as needed.</p> | |
| Recommendation 2.3 | | | |
| 1. Board is headed by a competent and qualified Chairperson. | COMPLIANT | <p><i>Provide information on or link/reference to a document containing information on the Chairperson, including his/her name, qualifications.</i></p> <p>Information on the Chairperson can be found through his Personal Data Sheet (Mr. Ricardo Gabriel Manotoc).</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> | |

| Recommendation 2.4 | | | |
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| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | NON-COMPLIANT | Disclose and provide information or link/reference to a document containing information on the company’s succession planning and retirement policies and programs, and its implementation. | Information on the retirement and succession planning of directors and key officers is currently in the works and being drafted. We are still in talks with our lawyers as how we can move forward with this. |
| 2. Board adopts a policy on the retirement for directors and key officers. | NON-COMPLIANT | | Information on the retirement and succession planning of directors and key officers is currently in the works and being drafted. We are still in talks with our lawyers as how we can move forward with this. |
| Recommendation 2.5 | | | |
| 1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members. | COMPLIANT | Provide information on or link/reference to a document containing information on the company’s remuneration policy and its implementation, including the relationship between remuneration and performance. | |
| 2. Board aligns the remuneration of key officers and board members with long-term interests of the company. | COMPLIANT | As per the Association’s Amended Articles of Incorporation: Article VIII: That no part of the income which the association may obtain as an incident to its operation shall be distributed as dividends to its members, trustees or officers subject to the provisions of the Corporation Code on dissolution. Any | |
| 3. Directors do not participate in discussions or deliberations | COMPLIANT | | |

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| involving his/her own remuneration. | | <p>profit obtained by the association as a result of its operation, whenever necessary or proper shall be used for the furtherance of the purposes enumerated in Article II, subject to the provision of the Title XI of the Corporation Code of the Philippines.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AOI.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AMENDED-AOI.pdf</p> <p>As per the Association's Manual of Corporate Governance Section III.A – Compensation of Trustee, Trustees shall not receive any compensation, as such, except for reasonable per diems, unless such compensation is provided in the By-Laws or granted by a vote of the members.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |
| Recommendation 2.6 | | | |
| 1. Board has a formal and transparent board nomination and election policy. | COMPLIANT | <i>Provide information or reference to a document containing information to the company's nomination and election policy and process and its implementation,</i> | |

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| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | COMPLIANT | <i>including criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i> | |
| 3. Board nomination and election policy includes how the company accepts nominations from minority shareholders. | COMPLIANT | <i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i> <i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i> | |
| 4. Board nomination and election policy includes how the board reviews nominated candidates | COMPLIANT | Information on the company's nomination and election policy and process and its implementation can be found in the following documents: | |
| 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 | <ol style="list-style-type: none"> 1. By-Laws : Article I Section 6 and Article V 2. Manual of Corporate Governance Section III 3. Board Charter Section XII | |
| 4. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | COMPLIANT | http://novo.com.ph/corporate-governance-2023/NOVO-BY-LAWS.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| 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 | <i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</i> | |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions. | NON-COMPLIANT | <i>Identify transactions that were approved pursuant to the policy.</i> NOVO does not have any related party transactions. Under Section XIX of the Board Charter, NOVO recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to the entire group where the said Institutions belong. The Board Charter indicates its policy regarding any potential exposures. | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | NON-COMPLIANT | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |

| Recommendation 2.8 | | | |
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| 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><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p>As per NOVO's Manual of Corporate Governance in Section III.A, it is one of the duties of the Board of Trustees to select and appoint the President and other Officers.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.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><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate the frequency of assessment of performance.</i></p> | |

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| | | <p>Under Section XII of the Board Charter, to ensure effectiveness of the members of the Board and its officers, the Board shall carry an assessment of its performance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>Manual of Corporate Governance Section III.A</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</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. | NON-COMPLIANT | <p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> | The Association does not have a formal performance management framework due to its scale. Employees' performance are monitored through the daily operations. With the Association only having two branches, management interactions with frontline personnel happens daily which serves as a performance-management tool. |
| 2. Board establishes an effective performance management framework that ensures that personnel's performance is at par | NON-COMPLIANT | | The Association does not have a formal performance management framework due to its scale. Employees' performance are monitored through the daily |

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| with the standards set by the Board and Senior Management. | | | operations. With the Association only having two branches, management interactions with frontline personnel happens daily which serves as a performance-management tool. |
| Recommendation 2.10 | | | |
| 1. Board oversees that an appropriate internal control system is in place. | COMPLIANT | <i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</i> | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | COMPLIANT | <p>As per NOVO's Board Charter, the Board is responsible for establishing a sound system of internal control for an efficient and effective operations of NOVO.</p> <p>Manual of Corporate Governance Section III.A and B.a</p> <p>The President oversees that the operational, financial and internal controls are adequate and effective.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf As of the moment, the Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. However, the Association is currently considering to have an internal control system in place. | |
| 3. Board approves the Internal Audit Charter. | NON-COMPLIANT | <i>Provide reference or link the company's Internal Audit Charter</i> | As of the moment, the Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. However, the Association is currently considering to have an internal control system in place. |
| 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 | <i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i> | As of the moment, the Association does not have an enterprise risk management framework due to the limited scope of the transactions and that the Association works closely with the Department of Education through the TCAA (APDS). The operation and transactions are monitored daily, and whenever risks are |

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| | | <i>Provide proof of effectiveness of risk management strategies, if any.</i> | involved, it is brought up so that the situation can be assessed. |
| 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 | | As of the moment, the Association does not have an enterprise risk management framework due to the limited scope of the transactions and that the Association works closely with the Department of Education through the TCAA (APDS). The operation and transactions are monitored daily, and whenever risks are involved, it is brought up so that the situation can be assessed. |
| 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 | <i>Provide link to the company's website where the Board Charter is disclosed</i> http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| 2. Board Charter serves as a guide to the directors in the performance of their functions. | COMPLIANT | | |
| 3. Board Charter is publicly available and posted on the company's website. | 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

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| <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><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>Under Section XVIII of the Board Charter, the Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to applicable laws. The Board establishes and appoints Chairpersons of the Committees and they have their necessary obligations.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>Manual of Corporate Governance Section IV also indicates the same.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |
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| Recommendation 3.2 | | | |
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| 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 | <p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p> <p>Under Section XVIII of the Board Charter, the Board has established an Audit Committee.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>The Committee shall assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through effective oversight of internal and external audit functions, transparency and proper reporting, compliance with laws, rules and regulations and code of conduct, and adequate and effective internal controls as seen on the Manual of Corporate Governance Section IV.A.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf The Audit Committee Approves and recommends the appointment, re-appointment, removal of external auditors including the determination of the service and professional fees of said auditors. http://novo.com.ph/corporate-governance-2023/NOVO-Audit-Committee-Charter.pdf | |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | COMPLIANT | <i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including its their qualifications and type of directorship.</i> Members of the Audit Committee can be found through the List of Board of Trustees. http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf Their respective qualifications can be seen through the Personal Data Sheet of Board of Trustees and Officers. | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf | |
| 3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p>Information regarding the committee members can be seen through the Personal Data Sheet of Board of Trustees.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> | |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p>The Association has elected and appointed the appropriate Audit Committee Chairman.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> | |

| Recommendation 3.3 | | | |
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| 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><i>Provide information or link/reference to a document containing information on the Corporate Governance Committee, including its functions.</i></p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p> <p>Under Section XVIII of the Board Charter, the Board has established a Corporate Governance Committee (CGCCOM).</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>The committee is tasked with the responsibility of establishing an organized, formal and transparent procedure in determining the remuneration of officers, employees and independent service providers, that is consistent with the culture, strategy, business environment and industry practice.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Governance-Committee-Charter.pdf</p> | |

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| <p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p> | <p>COMPLIANT</p> | <p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including its their qualifications and type of directorship.</i></p> <p>The members of the CGCCOM shall be composed of at least three (3) members of the Board of Trustee who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Governance-Committee-Charter.pdf</p> <p>Members of the Corporate Governance Committee can be found through the List of Board of Trustees.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> <p>Their respective qualifications can be seen through the Personal Data Sheet of Board of Trustees and Officers.</p> | |
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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf | |
| 3. Chairman of the Corporate Governance Committee is an independent director. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>The Chairman of the Corporate Governance Committee is an independent director.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</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><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</i></p> <p>The Association has established a Board Risk Oversight Committee.</p> <p>Despite not having an enterprise risk management system due to the limited scope of the transactions, this committee has been established in order to properly monitor the TCAA (APDS) program of the</p> | |

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| | | <p>Department of Education, and to comply with Corporate Governance requirements.</p> <p>Under Section XIX of the Board Charter, NOVO recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to the entire group where the said Institutions belong. The Board Charter indicates its policy regarding any potential exposures.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> | |
| <p>2. BROCC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p> | <p>NON-COMPLIANT</p> | <p><i>Provide information or link/reference to a document containing information on the members of the BROCC, including its their qualifications and type of directorship.</i></p> | <p>The members of the BROCC is composed of three (3) members of the Board of Trustees. However, the Chairman is not an independent trustee as he has the qualifications of holding the position which is the reason the Association has maintained him as the Chairman.</p> <p>Members of the Board Risk Oversight Committee can be found through the List of Board of Trustees.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> |

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| | | | <p>Their respective qualifications can be seen through the Personal Data Sheet of Board of Trustees and Officers.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> |
| 3. The Chairman of the BROC is not the Chairman of the Board or of any other committee. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC.</i></p> <p>The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p> <p>Members of the Board Risk Oversight Committee can be found through the List of Board of Trustees.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> | |
| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> | |

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| | | <p>Their respective qualifications can be seen through the Personal Data Sheet of Board of Trustees and Officers.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</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> | NON-COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT), including its functions.</i></p> | <p>NOVO does not have a separate Related Party Transactions (RPT) Committee. Under Section XIX of the Board Charter, NOVO recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to the entire group where the said Institutions belong. The Board Charter indicates its policy regarding any potential exposures.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> |
| <p>2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p> | NON-COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including its their qualifications and type of directorship.</i></p> | <p>NOVO does not have a separate Related Party Transactions (RPT) Committee. Under Section XIX of the Board Charter, NOVO recognizes that transactions between and among related parties</p> |

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| | | | <p>create financial, commercial and economic benefits to individual institutions and to the entire group where the said Institutions belong. The Board Charter indicates its policy regarding any potential exposures.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> |
| 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. | NON-COMPLIANT | <p><i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p> <p>The Audit Committee Charter states all relevant information needed to fulfill its statutory and fiduciary responsibilities, and enhancing and protecting members' interests.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Audit-Committee-Charter.pdf</p> <p>The Corporate Governance Committee Charter states all relevant information</p> | As of the moment, only the Audit Committee and Corporate Governance Committee have a dedicated charter as the Association is working on the Committee Charter for the Board Risk Oversight Committee. |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | COMPLIANT | | |

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| | | <p>needed in order to assist the Board of Trustees in fulfilling its corporate governance responsibilities and in ensuring implementation of NOVO's compliance system.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Governance-Committee-Charter.pdf</p> | |
| 3. Committee Charters were fully disclosed on the company's website. | COMPLIANT | <p><i>Provide link to company's website where the Committee Charters are disclosed.</i></p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Audit-Committee-Charter.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Governance-Committee-Charter.pdf</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. | | | |
| Recommendation 4.1 | | | |
| 1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> | |

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| <p>accordance with the rules and regulations of the Commission.</p> | | <p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>The Notice of Meeting has been published both online and print on Manila Bulletin.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Printed-Notice-of-Meeting.pdf</p> <p>The Annual General Membership Meeting for 2023 was conducted virtually on April 26, 2023. Attendance and Certification of Quorum can be seen through the Minutes.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf</p> | |
| <p>2. The directors review meeting materials for all Board and Committee meetings.</p> | <p>COMPLIANT</p> | <p>The Annual General Meeting Minutes is provided and approved days before the meeting.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Agenda.pdf | |
| 3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</i></p> <p>Information on the discussions done during Board and Committee meetings can be seen through the Association's Minutes.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Minutes-of-the-Meeting-for-the-year-2023.pdf</p> | |
| 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 | COMPLIANT | <p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</i></p> | |

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| Management's proposals/views, and oversee the long-term strategy of the company. | | <p>NOVO's Board Charter Section VI indicates that Non-executive directors can concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly listed companies.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</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><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>NOVO's Board Charter Section VI indicates that The trustees must notify the Association's board as to where he/she is an incumbent director before accepting a directorship in another company.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> | |

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| | | However, as of the moment, none from the Board of Trustees has accepted a directorship in another company. | |
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| Principle 5 : The board should endeavor to exercise an objective and independent judgment on all corporate affairs. | | | |
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| Recommendation 5.1 | | | |
| 1. The Board is composed of at least twenty percent (20%) independent directors. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></p> <p>Under Section IV of the Board Charter, the Board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the members and shall constitute of at least three (3) independent directors or at least 20% of the members of the Board.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> <p>The Board of Trustees consists of three (3) out of nine (9) independent directors.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf | |
| Recommendation 5.2 | | | |
| 1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p>The Manual of Corporate Governance Sections III.A discusses the terms for qualification and disqualification from Trusteeship. Qualifications of the Board of Trustees can be found through their Personal Data Sheet.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</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</p> | COMPLIANT | <p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p>Under Section VI of the Board Charter, an independent director may only serve as such for a maximum cumulative term on nine (9) years.</p> | |

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| <p>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> | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| <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><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i></p> <p>Under Section VI of the Board Charter, an independent director may only serve as such for a maximum cumulative term on nine (9) years.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> | |
| <p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal</p> | <p>NON-COMPLIANT</p> | <p><i>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</i></p> | <p>None from the Board of Trustees have exceeded the maximum term limit.</p> |

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| written justification and 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><i>Identify the company's Chairman of the Board and Chief Executive Officer.</i></p> <p>Chairman of the Board: Ricardo Gabriel K. Manotoc III</p> <p>Chief Executive Officer: Fortunato L. Dimagiba, Jr.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> | |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>Roles of both the Chairman and the President are identified under Section XIV.A and B of the Board Charter.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf | |
| 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><i>Provide information or link/reference to a document containing information on the lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p> <p>Chairman is independent.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-LIST-OF-BOARD-COMMITTEE-and-Officers.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> | |
| Recommendation 5.6 | | | |
| 1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same. | COMPLIANT | <p><i>Provide proof of abstention, if this was the case.</i></p> <p>This is usually indicated in the Minutes of the Meeting; however, for the year 2023 there has been no such case for directors needing to abstain.</p> | |

| Recommendation 5.7 | | | |
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| 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. | NON-COMPLIANT | <i>Provide proof and details of said meeting, if any.</i> <i>Provide information on the frequency and attendees of meetings.</i> | <p>Considering the size of our Association and the daily operations, existing meetings cover the necessary subjects.</p> <p>The Association's check and balance are ensured through the meetings of the existing officers, trustees, and committees, with the external auditor and yearly audit of the Commission. Should the need arise, the Association will conduct the necessary meetings.</p> |
| 2. The meetings are chaired by the lead independent director. | NON-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. | | | |
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| Recommendation 6.1 | | | |
| 1. The Board conducts an annual assessment of its performance as a whole. | NON-COMPLIANT | <i>Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.</i> | <p>The Association has a one man one vote ruling, and that the members decide on who will sit on the Board.</p> <p>The Association's Board of Trustees and Officers discuss and assess their respective performances with the members during the annual general meeting's election of the members of the Board of Trustees.</p> |
| 2. The performance of the Chairman is assessed annually by the Board. | NON-COMPLIANT | | |
| 3. The performance of the individual member of the Board | NON-COMPLIANT | | |

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| is assessed annually by the Board. | | | |
| 4. The performance of each committee is assessed annually by the Board. | NON-COMPLIANT | | During the AGM, all board meetings are being discussed together with all the resolutions. Members are able to assess how the Board has performed and what improvements they have done for the Association. |
| 5. Every three years, the assessments are supported by an external facilitator. | NON-COMPLIANT | <i>Identify the external facilitator and provide proof of use of an external facilitator.</i> | Considering the scale of our Association, we do not use of an external facilitator. |

| Recommendation 6.2 | | | |
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| 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. | NON-COMPLIANT | <p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</i></p> <p>Discussion is normally conducted with the members during the Annual General Meeting.</p> <p>Suggestion box is available for the members.</p> | <p>Under Section XII of the Board Charter, to ensure effectiveness of the members of the Board and its officers, the Board shall carry an assessment of its performance. The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members which shall be included in the annual report and financial statements of the company.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> |

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| 2. The system allows for a feedback mechanism from the shareholders. | COMPLIANT | http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf | |
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| Principle 7 : Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders. | | | |
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| 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><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p>The Code of Conduct and Business Ethics was promulgated as a guide in promoting and enforcing discipline and order and ensure that employees adhere to the ethical and work standards and corporate values of the Association.</p> <p>NOVO adopts a policy to promote the highest standards of integrity and the highest degree of diligence and responsibility among its employees.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Code-of-Conduct-and-Business-Ethics.pdf</p> | |

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| 2. The Code is properly disseminated to the Board, senior management and employees. | COMPLIANT | <p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p> <p>As soon as the Code of Conduct and Business Ethics has been approved, a copy is provided to each employee and is also readily available in the office.</p> | |
| 3. The Code is disclosed and made available to the public through the company website. | COMPLIANT | <p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</i></p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Code-of-Conduct-and-Business-Ethics.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><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> | |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies. | COMPLIANT | <p>The Association's Code of Conduct and Business Ethics has been approved by the Board in November 2022. A copy has been</p> | |

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| | | <p>provided to all employees of the Association and discussed accordingly.</p> <p>All members of the Board and all Employees of the Association are required to comply with the Code of Conduct and Business Ethics. There are no findings on non-compliance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Code-of-Conduct-and-Business-Ethics.pdf</p> | |
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| Disclosure and Transparency | | | |
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| 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 financial condition, results and business operations. | COMPLIANT | <p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</i></p> <p>The essence of corporate governance is transparency. It is therefore essential that the Association shall make a full, fair, accurate and timely disclosure to the members every material fact or event that</p> | |

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| | | <p>occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect their viability. This is as seen on NOVO's Manual of Corporate Governance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> <p>NOVO has developed a Corporate Disclosure Policy.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Disclosure-Policy.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> | COMPLIANT | <p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended</i></p> <p>The necessary information can be accessed through the Personal Data Sheets of the Board of Trustees and Officers.</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf http://novo.com.ph/corporate-governance-2023/NOVO-President-Personal-Data-Sheet.pdf http://novo.com.ph/corporate-governance-2023/NOVO-President-Personal-Data-Sheet.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Officers-Personal-Data-Sheet.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Secretary-Personal-Data-Sheet.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Compliance-Officer-Personal-Data-Sheet.pdf | |
| 2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts | COMPLIANT | <i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i> | |

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| <p>of interest that might affect their judgment.</p> | | <p>The necessary information can be accessed through the Personal Data Sheets of the Board of Trustees and Officers.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-of-Trustees-Personal-Data-Sheet.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-President-Personal-Data-Sheet.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-President-Personal-Data-Sheet.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Officers-Personal-Data-Sheet.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Secretary-Personal-Data-Sheet.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Compliance-Officer-Personal-Data-Sheet.pdf</p> | |
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| Recommendation 8.4 | | | |
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| 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 | <p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p>As per the Association's Amended Articles of Incorporation: Article VIII: That no part of the income which the association may obtain as an incident to its operation shall be distributed as dividends to its members, trustees or officers subject to the provisions of the Corporation Code on dissolution. Any profit obtained by the association as a result of its operation, whenever necessary or proper shall be used for the furtherance of the purposes enumerated in Article II, subject to the provision of the Title XI of the Corporation Code of the Philippines.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AOI.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AMENDED-AOI.pdf</p> <p>Trustees shall not receive any compensation, as such, except for reasonable per diems, unless such compensation is provided in the By-Laws or granted by a majority vote of the members</p> | |

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| | | <p>as per NOVO's Manual of Corporate Governance Section III.A.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AFS-for-the-year-2023.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><i>Disclose or provide link/reference to the company policy and practice for setting executive remuneration.</i></p> <p>As per the Association's Amended Articles of Incorporation: Article VIII: That no part of the income which the association may obtain as an incident to its operation shall be distributed as dividends to its members, trustees or officers subject to the provisions of the Corporation Code on dissolution. Any profit obtained by the association as a result of its operation, whenever necessary or proper shall be used for the furtherance of the purposes enumerated in Article II, subject to the provision of the Title XI of the Corporation Code of the Philippines.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-AOI.pdf</p> | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-AMENDED-AOI.pdf Trustees shall not receive any compensation, as such, except for reasonable per diems, unless such compensation is provided in the By-Laws or granted by a majority vote of the members as per NOVO's Manual of Corporate Governance Section III.A. http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf http://novo.com.ph/corporate-governance-2023/NOVO-AFS-for-the-year-2023.pdf | |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions. | COMPLIANT | <i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i> The breakdown of remuneration of NOVO's officers includes the salaries and wages, retirement benefits, employees' benefits, and Social security costs. These information can be accessed through the Association's AFS. | |

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| | | http://novo.com.ph/corporate-governance-2023/NOVO-AFS-for-the-year-2023.pdf | |
| Recommendation 8.5 | | | |
| 1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. | NON-COMPLIANT | <p><i>Disclose or provide reference/link to company's RPT policies.</i></p> <p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p> | <p>NOVO does not have any related party transactions. Under Section XIX of the Board Charter, NOVO recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to the entire group where the said Institutions belong. The Board Charter indicates its policy regarding any potential exposures.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> |
| 2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year. | NON-COMPLIANT | <p><i>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</i></p> <ol style="list-style-type: none"> <i>1. Name of the related counterparty;</i> <i>2. Relationship with the party;</i> <i>3. Transaction date;</i> <i>4. Type/nature of transaction;</i> <i>5. Amount or contract price;</i> <i>6. Terms of the transaction;</i> <i>7. Rationale for entering into the transaction;</i> <i>8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</i> <i>9. Other terms and conditions.</i> | |

| Recommendation 8.7 | | | |
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| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG). | COMPLIANT | Provide link to the company's website where the Manual on Corporate Governance is posted. http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf | |
| 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.

| Recommendation 9.1 | | | |
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| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal. And fees of the external auditors. | NON-COMPLIANT | Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. | The Audit Committee does not have a laid out robust process; however, the portfolio of the External Auditor is presented and provided to the members and Board of Trustees for review. The External Auditor's work performance in terms of their duties and responsibilities are reviewed. |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the | COMPLIANT | Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. | |

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| Board and ratified by the shareholders. | | Information on the Appointment of External Auditor is stated in the Annual General Meeting Minutes. http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf | |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | NON-COMPLIANT | <i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i> | No such removal has occurred in the Association. |
| Recommendation 9.2 | | | |
| 1. Audit Committee Charter includes the Audit Committee's responsibility on: 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 | COMPLIANT | <i>Provide link/reference to the company's Audit Committee Charter.</i> The Audit Committee (AUDITCOM) shall assist the Board of Trustees in fulfilling its statutory and fiduciary responsibilities, enhancing and protecting member's interest through (a) ensuring transparency and proper reporting (b) effective monitoring of internal and external audit functions, (c) compliance with laws, rules and regulations; and code of conduct, and (d) develop an adequate and effective internal control. | |

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| effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. | | http://novo.com.ph/corporate-governance-2023/NOVO-Audit-Committee-Charter.pdf | |
| 2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. | COMPLIANT | <p><i>Provide link/reference to the company's Audit Committee Charter.</i></p> <p>It is the duty of the Audit Committee to review and discuss in full and on a timely manner the Association's quarterly, semi-annual and annual financial statements with external auditor and management to decide the appropriate action to be taken, including reporting to the Board .</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Audit-Committee-Charter.pdf</p> | |
| 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. | NON-COMPLIANT | <i>Disclose the nature of non-audit services performed by the external auditor, if any.</i> | The External Auditor solely does the preparation and audit of the Association's Financial Statement and yearly requirements of BIR and SEC. |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or | NON-COMPLIANT | <i>Provide link or reference to guidelines or policies on non-audit services.</i> | The External Auditor solely does the preparation and audit of the |

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| policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | | | Association's Financial Statement and yearly requirements of BIR and SEC. |
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| Principle 10 : The company should ensure that the material and reportable non-financial and sustainability issues are disclosed. | | | |
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| 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 | <p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p>The Corporate Disclosure Policy intends to provide a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance Compliance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Corporate-Disclosure-Policy.pdf</p> | |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues. | NON-COMPLIANT | <p><i>Provide link to Sustainability Report, if any. Disclose standards uses.</i></p> | As of the moment, the Association does not have a standard/framework in reporting sustainability and non-financial issues due to the limited scope of the company. However, any |

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| | | | related issue are still disclosed accordingly. |
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| 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. | | | |
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| 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 | <p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefing/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</i></p> <p>Association Website: http://novo.com.ph</p> | |

| Internal Control System and Risk Management Framework | | | |
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| 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 | | | |
| 1. Company has an adequate and effective internal control system in the conduct of its business. | NON-COMPLIANT | <p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> | As of the moment, the Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. |

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| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | NON-COMPLIANT | <p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <i>1. Company's risk management procedures and processes</i> <i>2. Key risks the company is currently facing</i> <i>3. How the company manages the key risks</i> <p><i>Indicate frequency of review of the enterprise risk management.</i></p> | As of the moment, the Association does not have an exact enterprise risk management framework due to the limited scope of the transactions and that the Association works closely with the Department of Education through the TCAA (APDS). The operation and transactions are monitored daily, and whenever risks are involved, it is brought up so that the situation can be assessed. |
| 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. | NON-COMPLIANT | <i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i> | As of the moment, the Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. However, the Association is currently considering to have an internal control system in place. |
| Recommendation 12.3 | | | |
| 1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board. | COMPLIANT | <i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to document containing his/her responsibilities.</i> | |

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| 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. | NON-COMPLIANT | The Association's Chief Audit Executive is Ms. Rhea B. Adelante. http://novo.com.ph/corporate-governance-2023/NOVO-Officers-Personal-Data-Sheet.pdf | As of the moment, the Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. However, the Chief Audit Executive handles the audit related activities of the Association. |
| 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. | NON-COMPLIANT | <i>Identify qualified independent executive or senior management personnel, if applicable.</i> | NOVO does not have a fully outsourced internal audit activity. The Association does not have an internal audit function due to the limited scope of the transactions. The Association relies on the External Auditor's and Insurance Commission's audit. However, the Association is currently considering to have an internal control system in place. |
| Recommendation 12.4 | | | |
| 1. The company has a separate risk management function to identify, assess and monitor key risk exposures. | NON-COMPLIANT | <i>Provide information on company's risk management function.</i> | Considering the scale of our Association, we do not have a separate risk management function; therefore, we do not have a Chief Risk Officer. The BROC is in charge of identifying, categorizing, and weighing related transactions and types of risks |

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| | | | <p>involved in the Association transactions.</p> <p>The operation and transactions are monitored daily, and whenever risks are involved, it is brought up so that the situation can be assessed.</p> |
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| Recommendation 12.5 | | | |
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| 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). | NON-COMPLIANT | <i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/backgrounds.</i> | <p>Considering the scale of our Association, we do not have a separate risk management function; therefore, we do not have a Chief Risk Officer. The BROC is in charge of identifying, categorizing, and weighing related transactions and types of risks involved in the Association transactions.</p> <p>The operation and transactions are monitored daily, and whenever risks are involved, it is brought up so that the situation can be assessed.</p> |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | NON-COMPLIANT | | |

Cultivating a Synergic Relationship with Shareholders

Principle 13 : The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

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| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | COMPLIANT | <p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p>The Members' Rights and Protection are stated under Section II.A and B of NOVO's Manual of Corporate Governance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |
| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | COMPLIANT | <p><i>Provide link to company's website.</i></p> <p>Association Website: http://novo.com.ph</p> <p>Information can be found under Company Policy.</p> | |

| Recommendation 13.2 | | | |
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| 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><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p>The Notice of Annual General Meeting has been published 21 days before the set date.</p> <p>Newspaper copy of Notice of Annual General Meeting as annexed.</p> <p>Notice of Annual General Meeting on Association's Website:</p> <p>http://novo.com.ph/new_sched.html</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Agenda.pdf</p> | |
| Recommendation 13.3 | | | |
| 1. Board encourages active shareholder participation by making the result of the votes taken during the most recent | COMPLIANT | <p><i>Provide information or reference to a document containing information on all relevant questions raised and answers during the AMS and special meeting and the</i></p> | |

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| Annual or Special shareholders' Meeting publicly available the next working day. | | <p><i>results of the vote taken during the most recent ASM/SSM.</i></p> <p>Results of the votes are posted in the Association's office bulletin board.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf</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><i>Provide link to minutes of the meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask questions and the answers given, if any.</i></p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Annual-General-Meeting-2023-Minutes-of-the-Meeting.pdf</p> | |

| Recommendation 13.4 | | | |
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| 1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | COMPLIANT | <p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p>NOVO's Board Charter Section XIX indicates the necessary steps in terms of any rising conflicts.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> | |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | COMPLIANT | <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p>NOVO's Board Charter Section XIX</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Board-Charter.pdf</p> | |

| Duties to Stakeholders |
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| <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> |

| Recommendation 14.1 | | | |
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| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | COMPLIANT | <p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p> <p>The Members' Rights and Protection are stated under Section II.A and B of NOVO's Manual of Corporate Governance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |
| Recommendation 14.2 | | | |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. | COMPLIANT | <p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders.</i></p> <p>The Members' Rights and Protection are stated under Section II.A and B of NOVO's Manual of Corporate Governance.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Manual-of-Corporate-Governance.pdf</p> | |

| Recommendation 14.3 | | | |
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| 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 | <p><i>Provide contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders.</i></p> <p>Any of the member's may contact the provided details on the website for any concerns</p> <p>http://novo.com.ph/contact.html</p> <p>NOVO's whistleblowing policy indicates that they can raise the matter directly with the Compliance Officer:</p> <p>Eariel Fort D. Sante efvdimagiba@yahoo.com</p> <p>Procedure can be accessed through NOVO's Whistleblowing Policy</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Whistleblowing-Policy.pdf</p> | |

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| Principle 15 : A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes. | | | |
| 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 | <i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i> NOVO has dedicated policies on Anti-corruption and Whistleblowing as a means of encouraging employee participation. http://novo.com.ph/corporate-governance-2023/NOVO-Policy-on-Anti-Corruption.pdf http://novo.com.ph/corporate-governance-2023/NOVO-Whistleblowing-Policy.pdf | |
| 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 | <i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</i> It is imperative for the Association to conduct all of its business in an honest and ethical manner. It takes a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly, and | |

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| | | <p>with integrity in all of its business dealings and relationships, wherever it operates, and implement and enforce effective systems to counter bribery.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Policy-on-Anti-Corruption.pdf</p> | |
| 2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture. | COMPLIANT | <p><i>Identify how the board disseminated the policy and program to employees across the organization.</i></p> <p>A copy of the policies and all manuals are provided to all officers and employees for them to review. It is also part of the orientation process.</p> | |
| 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 | <p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> | |
| 2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent | COMPLIANT | <i>Provide contact details to report any illegal or unethical behavior.</i> | |

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| member of the Board or a unit created to handle whistleblowing concerns. | | <p>NOVO is committed to achieving and maintaining the highest standards of openness, probity and accountability.</p> <p>It is the Association's policy to make every effort treating all disclosures in a confidential and sensitive manner after employee reports concern about any of the above matters. Management will support all employees and encourage them to raise concerns without fear of reprisals.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Whistleblowing-Policy.pdf</p> <p>NOVO's whistleblowing policy indicates that they can raise the matter directly with the Compliance Officer:</p> <p>Eariel Fort D. Sante efvdimagiba@yahoo.com</p> | |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | COMPLIANT | <i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i> | |

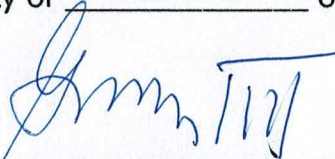
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| | | <p>A Whistleblowing policy was drafted in order to aid the Board in the optimal performance of its roles and responsibilities.</p> <p>http://novo.com.ph/corporate-governance-2023/NOVO-Whistleblowing-Policy.pdf</p> | |
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| <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.</p> | | | |
| <p>Recommendation 16.1</p> | | | |
| <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>NON-COMPLIANT</p> | <p><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> | <p>NOVO is currently working on programs that would help in the advancement of society. We are currently working on the re-launch of our scholarship programs for children of eligible members.</p> |

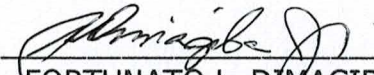
CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

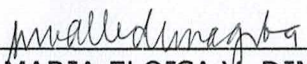
Signed in the City of ABANATIDAN CITY on the 17th of may 2024.



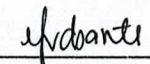
RICARDO GABRIEL K. MANOTOC III
CHAIRMAN OF THE BOARD AND TRUSTEE



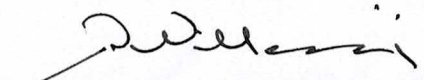
FORTUNATO L. DIMAGIBA, JR.
PRESIDENT



MARIA ELOISA V. DIMAGIBA
CORPORATE SECRETARY



EARIEL FORT D. SANTE
CORPORATE GOVERNANCE COMPLIANCE OFFICER




EMELITA M. EUGENIO
INDEPENDENT TRUSTEE

RAMON C. VILLANUEVA, JR.
INDEPENDENT TRUSTEE

SUBSCRIBED AND SWORN to before me this 17th day of May, 2024, 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. | DATE/PLACE ISSUED |
|-----------------------------------|--------------------------------|-------------------------------|
| 1. Ricardo Gabriel K. Manotoc III | Passport No. P6435944B | 05 March 2021, DFA NCR South |
| 2. Fortunato L. Dimagiba, Jr. | UMID 0003-8119585-4 | |
| 3. Maria Eloisa V. Dimagiba | UMID 0003-8417547-3 | |
| 4. Eariel Fort D. Sante | Driver's License N02-11-000433 | 11 November 2021 |
| 5. Emelita M. Eugenio | Passport No. P7576489B | 10 September 2021, DFA Manila |
| 6. Ramon C. Villanueva, Jr. | Passport No. P14397068 | 11 April 2019, DFA Manila |

NOTARY PUBLIC


ATTY. TOMAS F. LAHOM III
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
PTR NO. 8782965 / 01/03/2024 QUEZON, N.E.
IBP NO. 387453/01/02/2024 NUEVA ECIJA

Doc. No. 45613 ;
Page No. 096 ;
Book No. IX ;
Series of 20 24.

CERTIFICATION

I, **MARIA ELOISA V. DIMAGIBA**, of legal age, Filipino, with office address at 228 Gabaldon Street Barangay San Roque, Cabanatuan City, Nueva Ecija, after having been duly sworn to in accordance with law, hereby depose and state that:

1. I am the duly elected and incumbent Corporate Secretary of **NOVO ECIJANO TEACHERS MUTUAL BENEFIT ASSOCIATION, INC.** with principal address at 228 Gabaldon Street Barangay San Roque, Cabanatuan City, Nueva Ecija.
2. Mrs. Emelita M. Eugenio, Independent Director of the Association, is currently residing outside the Philippines. Therefore, she cannot physically affix her signature on the Annual Corporate Governance Report of the Association in the Philippines and certify the same under oath before a Notary Public in the Philippines.
3. This Certification is being issued pursuant to Insurance Commission Circular Letter No. 2021-47 (Amendment to the Submission of the Annual Corporate Governance Report).


IN WITNESS WHEREOF, I have executed this Certification this 17th day of May 2024 at CABANATUAN CITY City.


MARIA ELOISA V. DIMAGIBA
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
CABANATUAN CITY)S.S.

SUBSCRIBED AND SWORN to before me this 17th day of May 2024 at CABANATUAN CITY City, affiant exhibited to me her UMID No. 0003-8417547-3.

Doc. No. 45614 ;
Page No. 096 ;
Book No. IX ;
Series of 20 24.


ATTY. TOMAS F. LAHOM III
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
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