

CCT MUTUAL BENEFIT ASSOCIATION

CORPORATE GOVERNANCE MANUAL 2024

I. Document Information Sheet

DOCUMENT INFORMATION SHEET			
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RESPONSIBLE:			
Name:	Jinjin Abella	Position:	Officer in Charge
Signature:		Date:	Jun 2024
ACCOUNTABLE:			
Name:	Serafin Cu Jr.	Position:	Chairperson
Signature:		Date:	July 2024
CONSULTED:			
Name:	Anastasia Y. Dy	Position:	Board of Advisors
Signature:		Date:	July 2024
INFORMED:			
Name:		Position:	
Signature:		Date:	

RACI TERMS:

R	RESPONSIBLE	The person who produces the document and does the work; also the Recommender
A	ACCOUNTABLE	The person who owns the quality and timeliness of the document; also the Approver
C	CONSULTED	The person/s who must be consulted before the document is published
I	INFORMED	The person/s who are kept up to date on the progress

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CHAPTER 1 : INTRODUCTION

SECTION 1 : BRIEF HISTORY OF THE ORGANIZATION

On October 6, 2016, CCT MBA was officially registered with the Securities and Exchange Commission under SEC registration no. CN2016-23341 as the social services delivery arm of the CCT Group of Ministries. On November 18, 2016, the Insurance Commission (IC) granted CCT MBA the license to operate under IC License no. 2016-31-O.

With a vision of communities and families that are peaceful and secure for the days to come and in cases of a loved one's parting, the goal of CCT MBA is to reach the unreached poverty groups, provide excellent services and respond to the growing and mostly neglected needs of the poor. CCT MBA provides an affordable social security program that can be enjoyed by the sectors served by the CCT Group of Ministries such as the micro entrepreneurs, street dwelling families and blue collar workers.

CCT MBA serves as God's hands and feet to comfort the grieving, mourning and distressed families whose love ones have passed away.

SECTION 2 : VISION, MISSION, OBJECTIVES

A. Vision

We hope to see Christ-centered faith communities where people graciously work together and share resources, enjoying God's design for peace, stability, security, and favour among His people.

B. Mission

We join the Holy Spirit in serving the poor toward the fulfilment of God's promise of "Shalom."

C. Objectives

1. To extend financial assistance to its members, spouse, children, and parents in the form of death benefits, total & permanent disability (TPD) benefits, sickness benefits, provident savings and loan redemption assistance;
2. To ensure continued access to benefits and services by actively involving the members in the management of the association that will include implementation of policies and procedures geared toward sustainability and improved services.
3. To ensure compliance with administrative and regulatory issuances, rulings and directives by professionalizing the association, management, research and development, and technical services operations.
4. To accept and donate gifts in cash or in kind, contributions, endowments, grants, bequests and devices, or any kind of real and personal property which are necessary and proper for the attainment of the purposes, objectives and programs of the organization and to hold, administer and dispose of the same for the purposes of the organization.



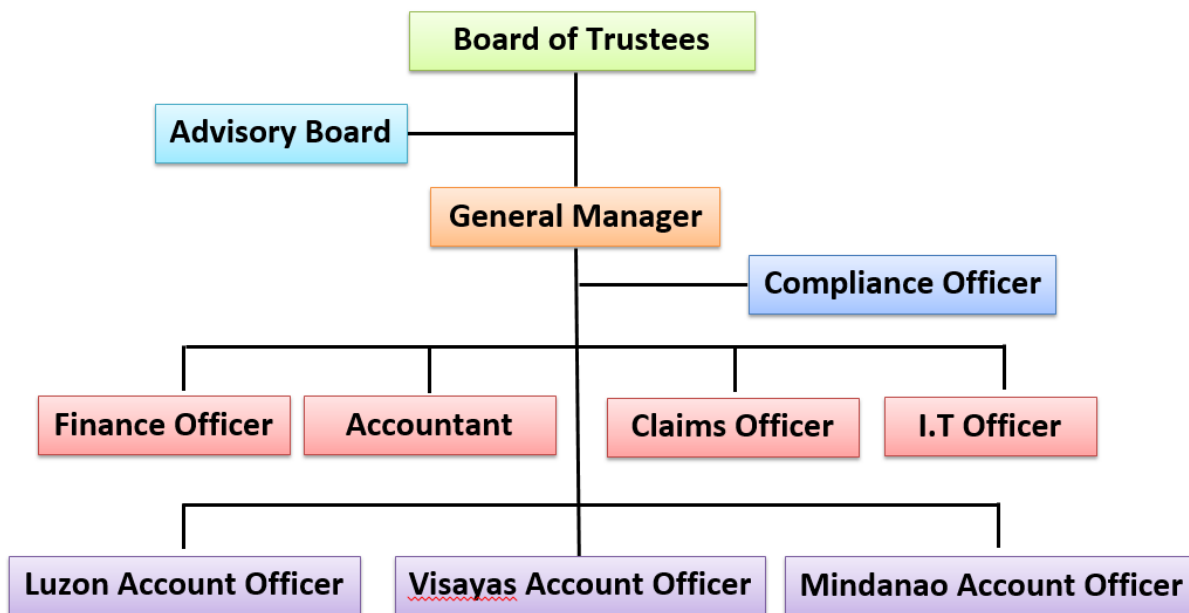
- To acquire, purchase, own, hold, operate, lease, mortgage, pledge, exchange, sell, transfer or otherwise invest in any manner permitted by law, real and personal property or every kind and description or any interest therein, and invest and re-invest its funds, money and properties in any lawful manner.

SECTION 3 : COMMITMENT TO GOOD CORPORATE GOVERNANCE

CCT MBA is committed to the promotion of corporate good governance within its organization and among its stakeholders. Together with the Board of Trustees, Board of Advisors and management, CCT MBA will remain steadfast in monitoring the performance of the organization, strive to make good and sound decisions and will hold its governing board accountable for its execution in achieving the goals of the organization.

The Corporate Governance Manual aims to provide the framework and guide in ensuring that the organization practices good governance, sustainability and continuous commitment to its stakeholders in providing efficient and innovative programs and services for the growth of the communities wherever the CCT Group of Ministries is present.

SECTION 4 : ORGANIZATIONAL STRUCTURE



SECTION 5 : DEFINITION OF TERMS

Corporate Governance : the framework of rules, systems and processes in the corporation that governs the performance of the Board of Trustees and management in their respective duties and responsibilities to it stakeholders which include among others, customers, employees, suppliers, financiers, government and the community in which it operates. (SEC Memorandum Circular No. 9, Series of 2014)



Board of Trustees : the governing body of the association

Independent Trustees: a person other than an officer or employee of the organization, its parent or subsidiaries, or any other individual having any relationship with the organization, which could interfere with the exercise of independent judgment in carrying out the responsibilities of a trustee. He is independent of management and free from any business or other relationship that could materially interfere with the exercise of his independent judgment. (IC No. 2018-36)

Non Executive Trustee: a trustee who has no executive responsibility and does not perform any work related to the operations of the organization.



CHAPTER 2 : GOVERNANCE STRUCTURE

SECTION 1 : BOARD OF TRUSTEES

Unless otherwise provided by law, the corporate powers of the association shall be exercised, all businesses conducted and all properties of the association controlled and held by the Board of Trustees as the governing body of the association.

A. Duties and Responsibilities

1. From time to time, to promulgate rules and regulations consistent with the bylaws of the association, and to review, revise or amend the same when it deems necessary for the management of the association's business and affairs;
2. To purchase, receive, take or otherwise acquire for and in the name of CCT Mutual Benefit Association Inc, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
3. To invest the funds of the association in other corporations or for purposes other than those for which the association was organized, subject to such approval of the members as may be required by law;
4. To incur indebtedness as the Board may deem necessary, to issue evidence of indebtedness including notes, deeds of trust, bonds, debentures, or securities, subject to such approval of the members as may be required by law, and/or pledge, mortgage, or otherwise encumber part of the properties of CCT Mutual Benefit Association, Inc.;
5. To establish pension, retirement, bonus or other type of incentives or compensation plans for the members, employees, including officers and Trustees of CCT Mutual Benefit Association Inc.;
6. To prosecute, maintain, defend, compromise, submit arbitration or abandon any lawsuit in which CCT Mutual Benefit Association Inc., or its officers are either plaintiffs or defendants in connection with the affairs of CCT Mutual Benefit Association, Inc.;
7. To implement the by-laws of the association and to act on any other matter not covered by the by-laws provided such matter does not require the approval or consent of the members of the CCT Mutual Benefit Association Inc, under the Corporation Code;
8. To appoint and dismiss any employee of CCT Mutual Benefit Association, Inc whether regular, probationary, casual or contractual, fix or adjust their salaries and all other personnel movements;
9. To delegate any of its powers or function to a committee or to any officer of the CCT Mutual Benefit Association, Inc.
10. To approve all contracts for construction and major repairs or maintenance work, and other contracts involving significant amounts, and;
11. To approve all contracts involving the sale of non-current assets

B. Board Composition

The Board of Trustees shall consist of seven (7) members namely : five (5) trustees and two (2) independent trustees all of them shall be elected by the active members of CCT Mutual Benefit Association via proxy voting.

C. Term of Office

The Board of Trustees shall be elected by majority of its members during its annual meeting and shall hold office for a term of three (3) years unless earlier removed for a cause, or have resigned or become incapacitated due to illness or death, and until their successors have been elected, qualified and have discharge the duties of the officer and are subject for re election of at most three (3) terms.

The elected members of the Board of Trustees shall serve beginning immediately following their election until their successors shall have been elected. Provided, that no member shall serve as member of the Board of Trustees for more than two (2) consecutive terms.

D. Board Qualities / Qualifications

The trustees to be elected must be of the following qualities / qualifications to be eligible for election to the board of trustees :

1. Legal age;
2. Recognized active member of an organized group recognized by the CCT Mutual Benefit Association Inc.;
3. Has consistently performed very satisfactorily for at least three (3) years in his/her membership and is willing to perform the functions of a trustee without remuneration;
4. A practicing Christian;
5. A member in good standing of the organization & the community where he/she lives;
6. Must have no pending legal and/or administrative case/s;
7. Must have the qualification of appointing leaders as stated in the book of Titus of the Holy Bible;
8. Demonstrates commitment to evangelism and discipleship;
9. Willing to commit time and resources to the organization;
10. Must renounce all financial benefits during the duration of term of office, and three (3) years thereafter.

E. Disqualifications of Trustees or Officers

Trustees or officers may be removed from office for cause, including nonfeasance or misfeasance of duties, violation of the association's bylaws, conduct detrimental to the interests of the association, incompetence and/or loss of confidence.

No member convicted by final judgement of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code of the Philippines committed within five (5) years prior to the date of her election or appointment, shall qualify

as a Trustee or Officer. In addition, a member whose membership has been terminated due to various reasons, and/or has resigned from membership with the CCT Group of Ministries or any of its affiliates, shall also be disqualified from being a Trustee or Officer.

F. Assumption of Duties

The elected members of the Board of Trustees shall serve beginning immediately following their election until their successors shall have been elected. Provided, that no member shall serve as member of the Board of Trustees for more than two (2) consecutive terms.

G. Board Vacancy

Any vacancies occurring in the Board may be filled by the vote of at least a majority of the remaining trustees, if still constituting a quorum, provided, that any vacancy occurring by reason of removal of the members, by expiration of term or by the increase in the number of trustees shall be filled by the members in a regular or special meeting called for the purpose.

A trustee so elected to fill a vacancy shall hold office only for the unexpired term of his predecessor in office.

H. Board Assessment

The Board shall undertake an evaluation of its performance as a collective body, its committees and senior management to determine whether the Board is functioning effectively and if it possesses the right mix of backgrounds and competencies. A performance assessment will also help pinpoint areas for improvement and ensure that the Chairperson is providing effective leadership to the Group.

Performance of individual board members and members of the Committee should be done annually while the assessments should be supported by an external facilitator every three years. Results of the performance assessment may be reported to the membership as needed.

1. *Self Assessment*

The benefits of conducting regular self assessment are not only personal and professional but legal as well as it helps keep the board focus on their personal liability in connection with his/her service to the Board. Self assessment also enables one to check the quality of his/her performance and service.

Self assessment questions that may help surface the reasons for any unfulfilled or unfinished commitments to your performance :

- a. Did I make the time available to serve on this Board – to do the necessary homework, attend meetings, retreats, seminars and other board functions ?
- b. What did I bring in to the Board in terms of sharing my experience, abilities, interest, resources and relationships ?

- c. Do I feel truly supportive of the Chairperson, the Ministry Peer Servant and the management staff ?
- d. Is my spouse supportive of my serving in this Board ?
- e. Are there hidden things in my life and in my agenda that would constrain me from serving without reservation ?
- f. Did I apply myself in reviewing the progress of activities, programs and operations to contribute to steering things more effectively and/or efficiently towards the association's goal ?
- g. Did I exert effort in finding out and analyzing how the association performs its legal commitments and applicable government regulations ?
- h. Did I apply myself to ensure that resources are applied to where these were intended?
- i. Did I take advantage of the opportunities to strengthen the association's financial resources ?
- j. Did I protect the good image of the association to the community with official and informal public concerns that I handle?
- k. Did I personally look into the association's internal situation to check if the distribution of responsibilities and salary/compensation system is equitable for all ?
- l. Do I carefully study the proposed work and financial programs and submitted reports to ensure the association does not espouse any activity/ies that would have adverse impact to the community or to society in the long run ?

2. Assessment Methodology

For the individual self assessment, this may be done informally. For the board assessment, an evaluation tool may be used to qualitatively review the board's performance (refer to Annex A). Responses to the questionnaire may form the basis for the overall board assessment.

I. Internal Control Responsibilities of the Board

An effective system of internal control that will ensure the integrity of the financial reports and the protection of all assets of the association, for the benefit of the members shall be implemented at all times by the association.

Regular review of the internal control framework shall be undertaken by the Board to ensure that the controls in place are current, functional and effective in mitigating both present and future risks.

SECTION 2 : BOARD OF ADVISORS

There shall be a Board of Advisors, the composition of which shall be determined by the Board of Trustees of the association by appointment and based on required policy-area competencies.

The Board of Advisors shall provide advice / guidance to the Board of Trustees and shall be invited to all meetings of the latter. However, they shall not be allowed to vote. They shall hold the

position for one year, and shall be confirmed by the Board of Trustees on annual basis. They may resign from their post, or may no longer be confirmed by the Board of Trustees upon its discretion.

SECTION 3 : INDEPENDENT TRUSTEES_ (IC Circular Letter No. 2018-36)

An independent trustee refers to a person other than an officer or employee of the association, or any other individual having any relationship with the association, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a trustee. An independent trustee should be independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgement. He / She shall provide advice to the Board on the most critical issues to deal with, assist the Board in achieving consensus on important issues, and work with the Management in prioritizing issues. He/She shall be entitled to be present in all its meetings and shall have the right to vote.

A. Definition

An independent trustee shall refer to a person who :

1. Is nor or was not a regular trustee, officer or employee of the association, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his/her election / appointment;
2. Is not or was not a regular director, officer or employee of the association's substantial stockholder's and their related companies during the past three (3) years counted from the date of his/her election/appointment;
3. Is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the board of trustees of the association, or in any related companies or of its majority corporate shareholders;
4. Is not a relative by affinity or consanguinity with the fourth (4th) degree of a trustee, officer or shareholder holding shares of stock sufficient to elect one (1) seat in the board of the association or any of its related companies or of any of its substantial shareholders;
5. Is not acting as a nominee or representative of any trustee or substantial shareholder of the association, any of its related companies or any of its substantial shareholders;
6. Is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the association, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election/appointment.
7. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
8. Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the association or with any of its related companies or with any of its substantial shareholders, whether by himself or with

- other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and count not materially interfere with or influence the exercise of his judgement;
9. Was not appointed in the association, its subsidiaries, affiliates or related companies as Chairman "Emeritus", "Ex-Officio", regular directors, officers or members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his/her election/appointment;
 10. is not affiliated with any non profit organization that receives significant from the association or any of its related companies or substantial shareholders; and,
 11. is not employed as an executive officer of another company where any of the association's executives serve as regular directors.

B. Minimum Qualifications

1. He/She shall be at least a college graduate or he/she shall have been engaged or exposed to the business of the association for at least five (5) years; and
2. He/She shall possess proven integrity, probity and independence

C. Term of Office

1. An independent trustee shall serve for a maximum cumulative term of nine (9) years.
2. An independent trustee who served the maximum period shall be perpetually barred from re-election in the association but may continue therein as a non independent trustee.
3. If the association desires to continue the services of the independent trustee who had already served his/her maximum term limit, he may still continue to act as such provided the Board submits to the Insurance Commission a formal written justification and must, in addition thereto, acquire the majority of the shareholders' approval during its annual meeting.

SECTION 4 : BOARD OFFICERS**A. Definition**

Officers of the association shall be composed of a Chairperson, Vice Chairperson, Secretary and Treasurer. They shall be elected by the Board of Trustees from among themselves. The

General Manager of the association shall be appointed by the Board of Trustees upon nomination by the Chairperson.

B. Term of Office

Term of office of the officers shall be co-terminus with the Board which elected / appointed them, unless sooner removed from office by a majority vote of all the members of the Board of Trustees. In case an office becomes vacant due to incumbent Board's death, resignation,

retirement, disqualification, incapacity or any other cause, the Board of Trustees, through a majority vote, may elect / appoint a successor, who shall hold office for the unexpired term, provided, further, that in case of the temporary absence of any officer for any reason, the Board may delegate the powers and duties of such officer to another qualified person.

C. Removal from Office

The officers of the association may be removed from office for a cause, including nonfeasance or misfeasance of duties, violation of the association's by-laws, conduct detrimental to the interests of the association, incompetence and/or loss of confidence.

D. Remuneration

The General Manager and other management staff shall receive such salary and/or benefits as may be fixed by the Board. The Chairperson, Vice-Chairperson, Secretary and Treasurer shall not be entitled to salary, nor to any form of financial remuneration.

SECTION 5 : FUNCTIONS AND POWERS OF OFFICERS

A. Chairperson

The Chairperson shall be the Chairman of the Board of Trustees and shall exercise the following functions:

1. To preside in all meetings of the members of the association;
2. To execute all resolutions of the Board of Trustees;
3. To be charged with directing and overseeing the activities of the association;
4. To submit to the Board as soon as possible after the close of each fiscal year, and to the members of each annual meeting, a complete report of the activities and operations of the association for the fiscal year under his/her term;
5. To represent the association in all functions and proceedings;
6. To appoint, remove, suspend or discipline employees of the association, prescribe their duties and determine their salaries subject to confirmation by the Board of Trustees;
7. To execute in behalf of the association all contracts, agreements and other instruments affecting the interest of the association which may require approval of the Board of Trustees unless otherwise directed by the Board, and
8. To perform such other duties as are incident to his office or are entrusted to him by the Board of Trustees.

B. Vice Chairperson

The Vice Chairperson, if qualified, shall exercise all powers and perform all duties of the Chairperson during the absence or incapacity of the latter and shall perform duties that may be assigned by the Board of Trustees.

C. Secretary

The Secretary shall have the following duties :

1. To give all notices required by the by-laws and keep the minutes of all meetings of the members and of the Board of Trustees in a book kept for the purpose;
2. To keep the seal of the association and affix such seal to any paper or instrument requiring the same;
3. To have custody of the members' register and the correspondence files of the association;
4. To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him/her by law or by government rules and regulations; and
5. To perform all such other duties and work as the Board of Trustees may from time to time assign to him/her.

D. Treasurer

The Treasurer shall have the following duties :

1. To keep full and accurate accounts/records of the receipts and disbursements of the association;
2. To take and have custody of, and be responsible for, all the funds, securities, bonds, and certificates of titles of the association;
3. To deposit in the name of the association in such banks as may be designated from time to time by the Board of Trustees, all the money, funds, securities, bonds and similar valuables belonging to the association which may come under his/her control;
4. To prepare an annual statement showing the financial condition of the association and such other financial reports as the Board of Trustees or the Chairperson may from time to time require;
5. To prepare such financial reports, statements, certifications and other documents that may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
6. To pay all authorized expenses by check and effect petty cash payments in accordance with policies and procedures approved by the Board of Trustees;
7. To assist management in the retrieval of all receivables of the association from whoever they may be due;
8. To prepare and submit to the Board of Trustees for consideration and approval the annual budget on or before its regular meeting and furnish a copy of the approved annual budget;
9. To ensure that all expenditures are duly authorized and are for the best interest of the association;
10. To post a bond in such amount as may be required by the Board of Trustees;
11. To suspend or withhold payments of accounts incurred not in accordance with the policies of the Board of Trustees or which are otherwise irregular or improperly authorized, and
12. To perform such other duties as may be assigned by the Chairperson and the Board of Trustees.

E. General Manager (Ministry Peer Servant)

The General Manager (Ministry Peer Servant) shall report directly to the Chairperson, he/she shall exercise all powers and perform all duties that the Chairperson may assign. More specifically, the duties and responsibilities of the General manager (Ministry Peer Servant) are as follows :

1. To supervise and manage the business affairs of the association upon the direction of the Board of Trustees;
2. To implement the administrative and operational policies of the corporation under his supervision and control
3. To appoint, remove, suspend or discipline employees of the association, prescribe their duties and determine their salaries;
4. To oversee the preparation of the annual budgets and, from time to time as may be necessary, a supplemental budget and the statements of accounts of the association.
5. To review and approve expense vouchers;
6. To represent the association at all functions and proceedings; to execute on behalf of the corporation all contracts, agreements, and other instruments affecting the interests of the association which does not require the approval of the Board of Trustees;
7. To submit to the Board of Trustees and to the members a complete report of the activities and operations of the association for the fiscal year under his term;
8. To appoint and dismiss any employee of the association, whether regular, probationary, casual, or contractual, fix or adjust their salaries and all other personnel movements.

SECTION 6 : BOARD COMMITTEES

A. Governance Committee

1. **Composition**

The Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be an independent board.

2. **Functions**

The main responsibilities of the committee include :

- a. To focus on all Board matters concerning trustee nomination, training, performance evaluation and remuneration.
- b. To review and evaluates the qualification of all persons nominated to the Board of Trustees and other appointments that require Board's approval
- c. To assess the effectiveness of the Board's processes and procedures in the election and replacement of trustees.
- d. To establish a formal and transparent procedure for developing policies including remuneration of trustees, officers and management staff.
- e. To develop a committee charter that would define the committee purpose, membership, structure, operations, reporting process, resource and other relevant information, including standards for evaluating the performance of the committee and its members.

f. To perform other tasks, as the board may from time to time designate.

3. **Supervision**

The Governance Committee is hereby vested sole authority :

- a. To conduct and supervise the election for the members of the Board of Trustees and other officers and proclaim the winners.
- b. To be the judge of all electoral contest, including questions on qualification of candidates. The decision of the Committee shall be final unless appealed to the Board of Trustees whose decision shall be final.

4. **Meeting**

Committee shall meet at least quarterly and/or as the need arises either face to face or hybrid via video conferencing.

5. **Remuneration**

Committee members shall not be entitled to salary nor to any form of financial remuneration.

6. **Term**

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

7. **Deputization**

The Committee may deputize such personnel of the Support Office of the association which it may deem necessary to enable it to perform its function.

8. **Disqualification**

No member elected as a member of the Governance Committee shall be eligible for election for any position during his term of office even if he/she resigns or is removed from office for any reason.

B. Nomination and Election Committee

This committee shall be a sub committee of the Governance Committee as the Governance Committee is responsible for Board nomination.

1. **Composition**

The Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be an independent board.

2. **Functions**

The main responsibilities of the committee include :

- a. To lead the process for identifying and making recommendations to the Board on, candidates for appointment as trustees and other positions requiring appointment by the Board of Trustees, taking into consideration the succession planning and leadership needs of the association.
- b. To profile the skills and competencies of the current trustees, identify the gap in skills and competencies and the qualifications needed to fill the gaps.
- c. To make recommendation to the Board on the composition and chairmanship of the board committees.

- d. To keep under review the structure, size and composition of the Board including the balance of skills, knowledge, experience and independence of the non executive trustees and make recommendations to the Board with regard to any changes.
- e. To develop a formal and transparent board nomination and election policy including
 - The association's process for accepting nomination from its membership
 - The Board process for reviewing qualifications of nominated candidates of trustees that are aligned to the strategic thrusts of the association.
 - The assessment of the effectiveness of the Board's processes in the nomination, election or replacement / removal of a trustee
- f. To ensure that the process for identifying board qualifications is aligned to the strategic thrusts of the association.
- g. To perform other tasks, as the board may from time to time designate.

3. **Meeting**

Committee shall meet at least twice a year and/or as the need arises either face to face or hybrid via video conferencing.

4. **Remuneration**

Committee members shall not be entitled to salary nor to any form of financial remuneration.

5. **Term**

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

C. Personnel and Remuneration Committee

This committee shall be a sub committee of the Governance Committee and shall provide oversight on the remuneration of senior management and other key personnel, ensuring that the compensation scheme is consistent with the culture and strategy of the CCT Group of Ministries.

1. **Composition**

The Committee shall be composed of at least three (3) non executive members of the board of trustees, one of whom must be an independent board.

2. **Functions**

The main responsibilities of the committee include :

- a. To provide support to the Board of Trustees in the design and implementation of compensation packages and to ensure that the remuneration strategy, policies and risks are considered and that processes are in place to minimize risks.
- b. To ensure that compensation packages facilitate the recruitment and retention of personnel while complying with regulatory requirements.
- c. To delegate responsibilities for setting up the remuneration packages for the association's personnel including the retirement packages of retiring staff.
- d. To monitor the level and salary structure of senior management
- e. To oversee the consistency in the application of compensation policies and practices aligned with the individual's performance.

- f. To supervise and direct any investigations or special projects, as needed
- g. To perform other tasks, as the board may from time to time designate.

3. **Meeting**

Committee shall meet at least twice a year either face to face or hybrid via video conferencing.

4. **Remuneration**

Committee members shall not be entitled to salary nor to any form of financial remuneration.

5. **Term**

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

D. Audit Committee

1. **Composition**

The Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be an independent board of good standing preferably with accounting and finance experiences.

2. **Functions**

The main responsibilities of the committee include :

- a. To provide oversight function to the association's internal and external auditors and ensure that the auditors have ample access to the association's records to perform their audit function effectively.
- b. To be responsible for the setting up of the internal audit department and the appointment of the internal auditors.
- c. To recommend the approval of the Internal Audit charter which includes :
 - Role of Internal Audit
 - Internal Audit work program
 - Implementing guidelines for the internal audit charter
- d. To monitor and evaluate the adequacy and effectiveness of the internal control system, the accuracy and completeness of financial records, timely report generation and data security between the association and its ministry partners (ie. CCT Multipurpose Cooperative).
- e. To recommend to the Board the appointment, re-appointment, removal and audit fees of external auditors duly accredited by the Insurance Commission to undertake the independent audit of the association and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the membership.
- f. To discuss with the external auditor the scope of the engagement proposal and the audit fees to be incurred for the audit work program.
- g. To review and assess the performance of the external auditor at the end of each audit period.

- h. To monitor and ensure the association's compliance to applicable laws, rules and regulations.
- i. To develop a committee charter that would define the committee purpose, membership, structure, operations, reporting process, resource and other relevant information, including standards for evaluating the performance of the committee and its members.
- j. To perform other tasks, as the board may from time to time designate.

3. Meeting

Committee shall meet at least quarterly either face to face or hybrid via video conferencing.

4. Remuneration

Committee members shall not be entitled to salary nor to any form of financial remuneration.

5. Term

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

E. Risk Oversight Committee

1. Composition

The Committee shall be composed of at least three (3) members of the board of trustees, the majority of whom should be independent trustees, including the Chairperson.

2. Functions

The main responsibilities of the committee include :

- a. To oversee the Enterprise Risk Management (ERM) system of the association and ensure its functionality and effectiveness.
- b. To ensure that the authority matrix is in place and that the limits are observed and corrective actions are taken in cases there is a breach in the limits.
- c. To identify and evaluate the likelihood of risks that the association is exposed to, the probability of its occurrence and the impact to its current operations and processes.
- d. To develop risk management strategies to reduce the chance of loss to life and property.
- e. To oversee the implementation of the risk management plan and conduct regular meetings with the stakeholders on how to mitigate both present and future risks.
- f. To review and revise the implementation of the risk management plan as needed.
- g. To consult risk management consultants to assess the risk management plan of the association.
- h. To develop a committee charter that would define the committee purpose, membership, structure, operations, reporting process, resource and other relevant information, including standards for evaluating the performance of the committee and its members.
- i. To perform other tasks, as the board may from time to time designate.

3. Meeting

Committee shall meet at least twice a year either face to face or hybrid via video conferencing.

4. Remuneration

Committee members shall not be entitled to salary nor to any form of financial remuneration.

5. Term

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

F. Related Party Transactions Committee

1. Composition

The Committee shall be composed of at least three (3) non executive members of the board of trustees, the majority of whom should be independent trustees, including the Chairperson.

2. Functions

The main responsibilities of the committee include :

- a. To assist the board in reviewing all material related party transactions of the association for fairness and to identify any possible conflict of interest.
- b. To assess existing relationships between and among businesses and counter parties to ensure that related party transactions are continuously identified, monitored and that subsequent changes in relationships are reported to the board and regulatory bodies.
- c. To set the materiality threshold for each type of related party transactions such as investments, financial assistance, contract agreements etc.
- d. To evaluate all material related party transaction and ensure that these transactions are above board and that related parties are not given favorable terms vis-à-vis non related parties and that the resources of the association are not misappropriated or misapplied.
- e. To determine any reputational risk issues that may arise as a result of related party transactions.
- f. To develop guidelines in assessing related party transactions including :
 - The related party's relationship with the association and interest in the transactions.
 - The material facts of the related party transactions, including the aggregate value of the transactions.
 - The benefits to the association of the related party transactions.
 - The risk profile, structure, size and operation of the related party
 - The availability of other parties with similar products and services
- g. To have in place a mechanism to determine a fair price for related party transactions and a system to identify related party transactions that are material based on the association's policies.



- h. To endorse material related party transactions to the board of trustees for review and approval.
- i. To ensure that appropriate disclosures are made, and/or information is provided to the board and to all regulatory bodies in as far as the related party transaction exposures of the association is concern, including policies on conflict / potential conflict of interest. Disclosures should include how the association intends to manage material conflict of interests that are inconsistent with policies and conflicts that may arise as a result of the association's affiliation or transactions with other related parties.
- j. To report to the board on a regular basis the status and aggregate exposures of each related party and the total exposures to all related parties.
- k. To ensure that transactions with related parties, including write off of exposures are subject to periodic review or audit process.
- l. To oversee the implementation of a system for identifying, monitoring, measuring, controlling and reporting related party transactions, including the periodic review of related party transactions policies and procedures.
- m. To develop a committee charter that would define the committee purpose, membership, structure, operations, reporting process, resource and other relevant information, including standards for evaluating the performance of the committee and its members.
- n. To perform other tasks, as the board may from time to time designate.

3. **Meeting**

Committee shall meet at least twice a year either face to face or hybrid via video conferencing.

4. **Remuneration**

Committee members shall not be entitled to salary nor to any form of financial remuneration.

5. **Term**

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

G. **Executive Committee**

1. **Composition**

The Committee shall be composed of at least three (3) members of the board of trustees to be chosen by the Board of Trustees from among themselves.

2. **Functions**

The main responsibilities of the committee include :

- a. To monitor the operations and finances of the association.
- b. To ensure that decisions of the Board are executed by management;
- c. Where urgent circumstances require, to act for and on behalf of the Board on such matters subject to guidelines and limitations duly approved by the Board.



3. **Approving Authority**

The concurrence of at least a majority of the members of the Executive Committee shall be necessary to make an Executive Committee decision valid. All business transactions of the Executive Committee shall be subject to confirmation by the Board of Trustees at its next scheduled meeting.

4. **Meeting**

Committee shall meet as frequently as necessary, but not more than twice a month, either face to face or hybrid via video conferencing.

5. **Remuneration**

Committee members shall not be entitled to salary nor to any form of financial remuneration.

6. **Term**

Members of the committee shall serve for two (2) years, or co-terminus with the Board of Trustees.

SECTION 7 : BOARD MEETINGS

A. Term Meetings

The initial organizational meeting of newly elected Board of Trustees shall be held immediately after the conclusion of the General Assembly at which they are elected, while the last meeting shall be held before the beginning of the General Assembly at which the new Board of Trustees is scheduled to be elected.

B. Regular and Special Meetings

The Board of Trustees shall meet regularly once every three (3) months via online or face to face at the association's Support Office unless otherwise previously agreed upon by the members of the Board of Trustees.

A special or emergency meeting of the Board of Trustees may be called by the Chairperson or the Secretary upon request of a majority of the incumbent members of the Board and at least three (3) day notice to all of its members. Notice of any meeting of the Board shall be in writing.

C. Journal

An official journal shall be kept to record the minutes of the meetings and all resolutions passed by the Board of Trustees which shall be consecutively numbered.

D. Remuneration

The members of the Board shall not be entitled to salary nor to any form of financial remuneration

E. Quorum

A majority of the members of the Board whether online or face to face shall constitute a quorum at meetings of the Board and no action of the Board shall be valid unless approved by majority of the incumbent members of the Board *en banc* at duly constituted meeting.

F. Order of Business

The order of the business at regular/special meeting of the Board of Trustees shall be:

1. Call to Order;
2. Roll Call;
3. Approval of Agenda;
4. Approval of Minutes of meeting;
5. Business Arising from the Minutes;
6. Board Committee Reports;
7. Management Reports on Finances and Operations;
8. New Business;
9. Other Matters;
10. Adjournment

G. Access to Information and Reports

Management shall provide the Board members with timely, complete and accurate information on matters taken up during the Board meetings. The agenda folder must be sent to the Board members, board of advisors in hard or electronic copy at least 5 business days before the meeting proper, whenever possible or appropriate.

Board members shall have independent access to management and the Corporate Secretary for all information to enable them to properly perform their duties and responsibilities.

SECTION 8 : BOARD CODE OF CONDUCT

The association's code of conduct guides how the Board of Trustees, Board of Advisors, Management and staff behave in pursuing our mission towards achieving our vision guided by our understanding of who we are and what we give importance to – our core values. CCT MBA's core values are anchored on the CCT Group of Ministries Code of Conduct – Sensing and Serving God in our Work.

A. Who We Are

1. We are nameless, faceless, and joyful servants of God.
2. We serve urban and rural communities throughout the Philippines, reaching out to street-dwelling individuals and families, children and youth, fisher folks, agricultural workers, informal workers, small scale rice and vegetable farmers, tribespeople, factory workers, micro-entrepreneurs, Christian development and pastoral workers and the communities at large.
3. Working in the context of the Scriptures and being guided by the Holy Spirit, we seek to fulfill our spiritual mandate of changing lives, strengthening families, empowering communities and transforming the nation.



4. We are committed to creating lasting holistic change among the poorest of the poor.

B. Our Distinctive

1. We are Christian. We do everything for the glory of God, according to Biblical principles.
2. We are Filipino. We testify to the nobility of our race and the heroism of the Filipino spirit.
3. We are multicultural, multi-ethnic and multilingual.
4. We are organized and are funded, governed and managed by Filipinos.
5. We are prayerful, worshipping, serving, witnessing, discipling, learning, teaching, and entrepreneurial group.

C. Our Approach

Our programs and service are holistic, integrated, community-based, family-focused, long term, sustainable and transformational.

D. Our Core Values

1. Intimacy of God / Devotion to God's Word
2. Obedience and Servanthood
3. Integrity
4. Excellence
5. Gratitude

E. Our Guiding Principles

1. *Pleasing and Honoring God*

- a. We do everything for the glory of God, according to Biblical principles (1 Corinthians 10:31; Ephesians 1:11-12; Colossians 3:17).
- b. We are prayerful. We start and end our activities with prayer, expressing our dependence on God (Philippians 4:6-7).
- c. We know God and sense Him in our lives. This is why we worship Him and serve Him only by faith through our work (Romans 12:1; Galatians 2:20)
- d. We are disciples, learners, and teachers. Through our work, guided by the Holy Spirit, we help each other develop and grow to become mature in our journey and walk with God. (Matthew 28:18-20; John 13:34-35).
- e. We acknowledge that all people and material resources are provided by God to do His work here on earth. We will use them in a manner both responsible and appropriate to God's work of transformation and only for legal and authorized purposes (Ephesians 1:3; 1 Corinthians 3:6-13).

2. *Acting Responsibly*

- a. We act justly, love mercy, and walk humbly with our God (Micah 6:8).
- b. We express support for the right of people to be treated justly and humanely, and avoid participating in any kind of activities that abuse such right (Romans 12:14-21; John 13:34).





- c. We honor our contractual obligations and report and charge honestly what we actually spent (Psalm 15; Isaiah 33:14-16).
- d. We recognize our responsibility to be free from the influence of any conflicting interest (2 Corinthian 4:2; 6:3-4a)
- e. When faced with difficult issues that place CCT MBA at risk, we consult appropriate individuals and experts before taking action (Proverbs 10:9; 11:2, 14: 12:15; James 3:13, 17)
- f. We act in a socially responsible manner, within the laws, customs and traditions of the country and specific communities we operate in, and contribute to the development of such communities (Philippians 3:17-21; 1 Peter 2:9-10; Exodus 19:5-6; Jeremiah 29:5-7)
- g. We act in a manner that consciously minimizes the detrimental environmental impacts of our operations (Genesis 1:26-31).
- h. We partner with responsible organizations that support charitable, educational, and community service activities (Mark 9:40-41).
- i. We are committed to support the government's and other civil society organizations' efforts to eliminate corruption and financial crime (Romans 13:1-7; Matthew 5:13-16; 2 Corinthians 5:16-21; Proverbs 14:34; 29:4)

3. *Serving Well*

- a. We do our work with passion and serve others with the best of our abilities, and strive to deliver what we committed to do (Acts 20:24-35).
- b. As Christian workers in a learning organization, we keep an open mind to take in new knowledge, accept challenges, and learn from our experiences.
- c. We cultivate an entrepreneurial culture that embraces innovation and expansion of ministry reach through the guidance of the Holy Spirit to Whom we journey with in advancing God's Kingdom on earth.
- d. As good stewards, we take every opportunity to use the gifts and talents that the Lord has given us to advance His Kingdom.
- e. We encourage our people to do their work well, recognizing their need to be with their family when necessary, and help others do the same (Titus 2:2-8, 11-12; Ephesians 5:21-6:4).
- f. To serve well, we invest in learning, skills development and talent enhancements of our people (2 Timothy 1:6-7: 2:3-6, 15).

4. *Valuing People*

- a. We treat our people, community partners, and others whom we work with, respectfully, with dignity, fairness and courtesy (John 13:34-35; 1 John 3:16-18; James 2:1-5; Galatians 3:28).
- b. We recognize the cultural diversity and ethnicity of our people, and view it as a distinct advantage to be nurtured and expanded (Revelations 7:9-10; 21:24-26).
- c. We encourage our community partners to take pride in their ethnic roots and enhance their cultural heritage for generations to come.



- d. We commit to maintain the work environment in the communities where we work and serve free from discrimination, harassment, and retaliation (Matthew 5:3-9; 6:33).
- e. We provide a safe working environment for our people and the community centers we operate in (Romans 15:5-7).

5. As Agents of Change in Transforming Lives and Communities

- a. We consider our program beneficiaries as partners. We value them and treat them as members of our family along with the CCT board and staff.
- b. We pursue a culture of other-centeredness, being considerate of the welfare of others.
- c. We create an atmosphere of affirmation and appreciation of every person.
- d. We show genuine interest, respect, hospitality, and empathy for our staff and partners. We respond to their needs, take time to listen, and uphold each other in prayer.
- e. We are instruments of God's peace – our presence should bring joy and encouragement instead of confusion and division.
- f. We maintain our composure, gentleness, politeness and faithfulness in small and big things.
- g. We pursue a lifestyle of simplicity and modesty demonstrated in our appearance, character, and conduct.
- h. We help each other grow in the likeness of Christ by rebuking and speaking the truth in love.
- i. We show no partiality or favoritism in dealing with our partners.
- j. We do not discriminate on account of religious belief and ethnicity.
- k. No decision is influenced by prejudice or any form of bribery.
- l. The Word of God is our basis in relating to our staff and partners, following the example of Christ.

F. Anti-Corruption Policy

CCT MBA abides with the principles and truth of God's Word. The Bible refers to the following relevant verses on bribery and corruption, to wit:

"You must not distort justice; you must not show partiality; and you must not accept bribes, for a bribe blinds the eyes of the wise and subverts the cause of those who are in the right" (Deut. 16:19). Without impartial justice, it would be impossible to "live and occupy the land that the Lord your God is giving you" (Deut. 16:20).

CCT MBA as a matter of principle does not tolerate bribery and corruption. Common examples of corruption include fraud, extortion, insider trading, kickbacks, facilitation of payments and money laundering. All forms of bribery and corruption are not acceptable and will not be tolerated by the association. All CCT MBA trustees, management and staff must not act corruptly with any other person, and must ensure that any third party acting in its behalf complies with this policy.

1. **Guidelines**

As a guide in deciding on a course of action, ask the following questions :

- a. Does this conform to the Word of God ?
- b. Will God be pleased with this ?
- c. Is this compliant with CCT MBA policies and procedures ?
- d. Is it moral ?
- e. Are you sure that your actions will have no negative consequences to you and to the association ?
- f. Who else could be affected by this ?
- g. If you do this, can you tell it to your spouse and children ?
- h. What are other options that will not put the association at risk ?
- i. What if this comes out in the new or social media ?
- j. Will you be at peace with God and yourself ?

2. **Specific Steps**

- a. When facing a situation, decision, or issue, pray for discernment for yourself and on the issue at hand.
- b. Recognize the event, decision or issue.
 - Are you being instructed to do something that you think might be wrong ?
 - Are you aware of potentially illegal or unethical conduct on the part of others at CCT MBA or the people we serve ?
 - Are you trying to make a decision and unsure about the right action to take ?
- c. Think carefully before you act.
- d. Summarize and clarify your issue.
- e. Decide on a course of action.
- f. Test your decision.
 - Apply CCT MBA values to your decision.
 - Consider CCT MBA policies, applicable laws and standards
 - Consult others and enlist their opinion for your planned action.
- g. Proceed with confidence.
- h. Communicate your decision and rationale to stakeholders.

3. **Disciplinary Action**

In cases when bribery, corruption or similar actions are deliberately concealed, CCT MBA shall pursue the appropriate disciplinary action, including termination of employment from the association.

4. **Training and Orientation**

CCT MBA through its network the branch network of it partner ministries shall conduct the necessary training and orientation for all employees to ensure compliance with this policy.

G. Whistle Blower Policy



CCT MBA's Code of Conduct and Ethical Standards Policy requires all CCT MBA stakeholders to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the association, individuals must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. Set forth below is the Whistle blower Policy with respect to reporting good-faith concerns about the legality or propriety of the association's actions or plans.

1. Reporting Concerns or Complaints

It is the responsibility of all CCT MBA stakeholders to comply with the association's Code of Conduct and Ethical Standards Policy and applicable laws, and to report violations or suspected violations of the association's stakeholders in accordance with this policy.

2. Confidentiality

All communications under this policy shall be treated in a confidential manner, except to the extent necessary:

- a. To conduct a complete and fair investigation, or
- b. For review of CCT MBA operations by the CCT MBA Board, Audit Committee, CCT MBA independent-public accountants and/or legal counsel.

3. Retaliation

Negative or adverse action is not to be taken against any CCT MBA stakeholder for making a good-faith report of a possible violation of its Code of Conduct and Ethical Standards Policy or applicable laws, even if the report is mistaken, or against the CCT MBA Board, Audit Committee, CCT independent-public accountants, and/or legal counsel who assists in the investigation of a reported violation. Retaliation in any form shall not be tolerated.

Any act of alleged retaliation should be reported immediately and shall be promptly investigated. A CCT MBA Board member who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including removal from the CCT MBA Board. This policy is intended to encourage and enable individuals to raise serious concerns within the association prior to seeking resolution outside the organization.

4. How to Report Concerns or Complaints

CCT MBA stakeholders may communicate suspected violations of the Code of Conduct and Ethical Standards Policy, applicable laws or other wrongdoing or alleged retaliation by contacting the CCT MBA Board Chairperson. It is not necessary that a CCT MBA stakeholder give their name or position in any notification.

Whether or not the whistle blower of the violation identifies himself/herself, for a proper investigation to be conducted, the whistle blower shall provide CCT MBA with as much information as possible, sufficient to do a proper investigation, including where and when the incident occurred, names and titles of the individuals involved as much other detail as can be provided.





A Whistleblower Policy acknowledgement form shall be distributed for signature and collected annually.

SECTION 9 : RELATED PARTY TRANSACTIONS

A. Definition

Arm's length transactions shall be observed for all related party transactions to guarantee fairness, transparency and protect the interest of the association, its members and stakeholders. The Related Party Transactions (RPT) committee shall be task to oversee, monitor, review and validate the materiality, fairness and transparency of related party transactions.

Upon recommendation by the Related Party Transactions (RPT) committee, the board shall adopt a materiality threshold based on the risk appetite of the association.

Criteria for assessing RPT transactions :

1. The related party's relationship with the association and their interest in the transaction.
2. The aggregate value of the related party transaction and its proposed benefit to the association.
3. The size, structure, risk profile and complexity of operations of the related party being evaluated.
4. The terms and conditions of the related party transactions as compared to a non related party's proposal or quotation.

B. Conflict of Interest

The purpose of the Conflict of Interest Policy is to prevent the personal and/or financial interests of CCT MBA stakeholders from interfering with the performance of their fiduciary duties to the association or result in the personal financial, professional and/or political gain on the part of such CCT MBA stakeholders at the expense of other members of the association. CCT MBA stakeholders are to perform their duties in good faith, in a manner they reasonably believe to be in the best interest of the association and with such care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances.

1. **Potential Conflict of Interest and Related-Party Transaction**

For the purpose of this policy, a potential conflict of interest and related-party transaction is one in which a decision of a Board member could affect such person's own personal financial, professional and/or political interests. Accordingly, the CCT MBA stakeholders adopts the following policy for its members:

- a. CCT MBA stakeholders shall not profit materially in their capacity as CCT MBA stakeholders from their affiliation with the association, or favor the interest of others over the interests of the association or bring their interests into conflict or





competition with the interests of CCT MBA. CCT MBA stakeholders should be aware that conflicts of interest include actual, apparent and potential material conflict of interest.

- b. CCT MBA stakeholders who simultaneously serve as an officer of any other organization having objectives similar to the association must disclose that information in writing to the CCT MBA Board Secretary.
- c. Whenever CCT MBA stakeholders is/are considering a matter, including a contract or transaction with a member of CCT MBA's stakeholders, that presents an actual or apparent material conflict of interests or related-party transaction for a CCT MBA stakeholders/member, that member or CCT MBA stakeholder shall fully disclose the material facts as to his/her interest or relationship in or to such a matter, contract or transaction. The disclosure shall be recorded in the CCT MBA Board minutes.
- d. Whenever any member of the CCT MBA stakeholders, as a consequence of CCT MBA stakeholder's membership discovers an opportunity for business advantage that could be relevant to the activities of CCT MBA, the opportunity belongs to CCT MBA and the CCT MBA Stakeholder/member will present such an opportunity to the CCT MBA Board.
- e. CCT MBA stakeholders will neither accept nor offer significant material favors or gifts from vendors that provide goods or services to the association.
- f. A Conflict of Interest agreement form shall be distributed for signature and collected annually.

SECTION 10 : BOARD DEVELOPMENT PROGRAM

Part of the culture of serving well is the investment in learning, skills development and talent enhancement. The aim of the board development program is to develop the board members' skills, knowledge and expertise to make better decisions and provide effective guidance and leadership to the association.

All newly elected board members are required to undergo an orientation program within six (6) months from date of election or appointment. Topics to be covered include :

- A. Board and committee members' roles and responsibilities.
- B. Strategic plans, organizational structure, product offerings, sectors served, process flow, financial reports, information systems, compliance programs.
- C. Code of conduct
- D. Insurance Commission (IC) regulatory requirements.

Board members are also encouraged to participate in continuing education programs to strengthen the governance structure and leadership of the association. Trainings may be in the form of online or face to face seminars, workshops and conferences. Corporate governance topics may include :

- A. Anti Money Laundering Act (AMLA) and Corporate Governance



- B. Annual Corporate Governance Report (ACGR)
- C. Director's Liabilities, Confidentialities, Conflict of Interest
- D. Related Party Transactions
- E. Enterprise Risk Management
- F. Financial Reporting and Audit

SECTION 11 : MANAGEMENT

The association's management comprise of Support Office and area based personnel led by the General Manager (Ministry Peer Servant). The management stands as the center of decision making for the day to day activities of the association. It determines the association's activities by defining the overall targets at the national level as well as per area, implementing the agreed strategic thrusts and monitoring the performance to ensure that the targets are achieved by the association.

Management is also responsible for implementing the infrastructure through the following mechanisms :

- A. An organizational structure works effectively and efficiently in meeting the goals of the association.
- B. Planning, control and risk management systems that assess risks on an integrated cross-functional approval
- C. Information systems that are defined and aligned with the CCT Group of Ministries information strategy (IT) roadmap and the business goals of the association;
- D. Succession planning that formalizes the process of identifying, training and selection of the next set of leaders for key positions in the association.

In addition to the General Manager (Ministry Peer Servant), other key positions include :

A. Compliance Officer

The Compliance Officer shall ensure adherence of the association to the requirements of regulatory bodies such as the Insurance Commission (IC), Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR) among others. He shall report to the General Manager (Ministry Peer Servant) and shall have the following responsibilities :

1. Develop a monitoring mechanism to identify any violation to existing circulars, advisories and memorandums and recommend remedial actions to address said violations.
2. Identify, monitor and control compliance risks.
3. Monitor, review, evaluate and ensure compliance of the directors, officers and staff with the relevant laws, rules and regulations and regulatory agencies issuances.
4. Report to the board if violations are found and recommends the imposition of appropriate disciplinary actions / sanctions.
5. Ensure the integrity and accuracy of all documentary submissions to regulators.
6. Identify possible areas of compliance issues and works towards the resolution of the same.
7. Ensure attendance of board members and key officers to relevant trainings.

8. Appear before the Insurance Commission (IC) when summoned in relation to compliance with the IC guidelines.
9. Collaborate with management to address compliance issues, which may be subject to investigation.
10. Perform such other duties and responsibilities as may be requested by the Board.

B. Risk Officer

The Risk Officer shall be responsible for the Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfil his/her responsibilities. Scope of responsibilities include :

1. Manage the risk management function to identify, assess and monitor key risk exposures.
2. Spearhead the development, implementation and continuous improvement of an enterprise risk management (ERM) system.
3. Work with the General Manager (Ministry Peer Servant) in updating and making recommendations to the Board and Risk Oversight Committee.
4. Report to the Risk Oversight Committee any potential and probable risk that the association may be exposed to, strategies and action plans to mitigate risks and the status of said strategies and action plans.
5. Ensure that risk management processes are performing as intended, risk measures are reviewed by risk owners regularly and risk policies and procedures are complied with.

SECTION 12 : AUDIT**A. External Auditor**

Primary role of the external auditors is to conduct an independent audit of the association's financial statement and to render an opinion thereof based on the results of the audit. The external auditors shall be appointed by the membership during the Annual Membership meeting.

Guidelines in the selection of external auditors :

1. Only external auditors included in the IC List of Accredited External Auditors should be engaged by the association.
2. External auditors should be rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines and the implementing rules and regulations as adopted and issued by the Philippine Board of Accountancy ("BOA") at the time of audit.
3. External auditors or any member of his immediate family must not have acquired / committed to have acquired any direct or indirect financial interest with the association;
4. External auditors and the members of the audit team should not have any claim with the association.
5. External auditors is not engaged / were not engaged during the preceding year to provide the following services to the association :
 - a. Internal audit functions



- b. Services that could affect the external auditor's independence.

B. Internal Auditor

The internal audit function provides an objective assessment on the appropriateness and effectiveness of key organizational and procedural controls. The internal audit function also provides the Board, senior management and the membership reasonable assurance that the association's governance, risk management and control mechanisms and in place and functional. Scope of work of the internal auditor include :

1. Reviews, audits and assesses the efficiency and effectiveness of the internal control system in coordination with its ministry partners (i.e. CCT Multipurpose Cooperative, CCT Ministers Association of the Philippines, Visions of Hope Foundation)
2. Performs regular and special audit based on the approved annual audit plan and/or based on the association's risk assessment.
3. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments which could have a significant impact to the association
4. Evaluates operations processes, procedures and programs to ascertain whether results are consistent with agreed plans and objectives and whether said operations and processes are being carried out as planned.
5. Monitors and evaluates governance processes and other specific operations as requested by the Board or Management.
6. Provides an independent risk-based assurance service to the Board, Audit Committee and management to :
 - a. Promote the right values and ethics
 - b. Ensure effective performance management and accounting
 - c. Communicate risk and control information
 - d. Coordinate activities and information between the board, external / internal auditors and management



CHAPTER 3 : SUCCESSION PLANNING AND STAFF DEVELOPMENT

Transforming lives is the vision that requires continuing passion of people to help the needy, in accordance to the will of God. To ensure the CCT MBA stays on track while it is on its way to achieving its vision, it is crucial that it develops second-liners. These second liners are leaders and managers who will implement the integrated approaches to wholistic development of CCT MBA staff.

Apart from developing second-liners, CCT MBA is committed to monitor the staff development progress of its staff horizontally. CCT MBA is thus committed to implement a succession and staff development program that includes knowledge and skills enhancement and other development programs in various forms.

SECTION 1 : PURPOSE

The Succession Planning and Staff Development program aims to provide a structured framework for CCT MBA staff to plan, develop and advance their careers with the association. It outlines the process, criteria, and support mechanisms available to facilitate professional growth and progression.

SECTION 2 : SCOPE

The policy applies to all CCT MBA staff nationwide.

SECTION 3 : POLICY STATEMENTS

A. Definition of Staff Development

Staff Development refers to the process of charting a clear and deliberate course for professional growth and advancement for the CCT MBA staff. It involves identifying potential career paths, acquiring the necessary skills and experience, and pursuing opportunities for career development.

B. Objectives

1. To empower CCT MBA staff to take ownership of their career development.
2. To align individual career goals with the ministry objectives of CCT MBA.
3. To promote a culture of continuous learning and development.
4. To retain top talent by providing opportunities for advancement and growth for CCT MBA.

C. Components of Staff Development

1. **Goal Setting**

CCT staff are encouraged to set short-term and long-term career goals in consultation with their Ministry Peer Servant/Peer Servant/Area Shepherd. Goals should be specific, measurable, achievable, relevant, time-bound, evaluate and reward (SMARTER).



2. **Skills Assessment**

CCT MBA staff should assess their current skills, competencies, strengths, and areas for improvement relevant to their chosen career path.

3. **Development Planning**

CCT MBA staff, in collaboration with their Ministry Peer Servant/Peer Servant/Area Shepherd, should develop personalized development plans outlining the steps required to achieve their career goals. This may include training, job rotations, mentoring, coaching, and formal education.

4. **Performance Evaluation**

Career progression will be based on merit and performance. Regular performance evaluations will be conducted to assess progress towards career goals and identify areas for further development.

5. **Opportunity Identification**

CCT will provide staff with access to internal job postings, career development resources, and networking opportunities to explore potential career paths within the organization.

6. **Support Mechanisms**

CCT is committed to providing adequate support and resources to facilitate staff career development

D. Staff Development Process

1. **Initial Assessment**

- CCT MBA staff initiate the staff development process by conducting a self-assessment of their skills, interests, and career aspirations.
- Ministry Peer Servant/Peer Servant/Area Shepherd provide guidance and support to staff in identifying potential career paths within the organization based on individual strengths and organizational needs.

2. **Development Planning**

- CCT MBA staff, in collaboration with their managers, create a development plan outlining specific actions and milestones for achieving their staff development goals.
- Development plans may include attending relevant training programs, pursuing advanced degrees or certifications, gaining cross-functional experience through job rotations, or seeking mentorship opportunities.

3. **Regular Check-ins**

- CCT MBA staff and Ministry Peer Servant/Peer Servant/Area Shepherd conduct regular check-in meetings to review progress against development plans, address any challenges or barriers, and adjust goals and strategies as needed.
- Ministry Peer Servant/Peer Servant/Area Shepherd provide ongoing feedback and support to help employees stay on track with their staff development objectives.

4. **Performance Evaluation**

- Performance evaluations are conducted on a periodic basis to assess employee performance, contributions, and alignment with CCT MBA goals.





- b. Performance reviews serve as opportunities to discuss career progression, identify areas for improvement, and recognize achievements.

E. Promotion and Advancement

1. Promotion opportunities are available to employees who demonstrate the skills, competencies, and performance levels required for advancement within their chosen career path.
2. Promotion decisions are based on objective criteria, including job performance, qualifications, experience, and potential for future growth.
3. CCT MBA is committed to providing equal opportunities for career advancement and will not discriminate based on gender, age, disability, or any other protected characteristic.

F. Training and Development

1. CCT MBA invests in staff training and development initiatives to enhance skills, foster innovation, and support career growth.
2. CCT MBA staff are encouraged to take advantage of training programs, workshops, conferences, and other learning opportunities offered by CCT MBA to expand their knowledge and capabilities.

G. Monitoring Review

1. The effectiveness of the staff development policy will be periodically reviewed and evaluated to identify areas for improvement and ensure alignment with CCT MBA's goals and staff needs.
2. Feedback from CCT MBA staff and Ministry Peer Servant/Peer Servant/Area Shepherd will be solicited to assess the impact of the policy and make adjustments as necessary to enhance its effectiveness.

H. Communication

1. The staff development policy will be communicated to all staff through employee handbooks, orientation sessions, and other relevant channels.
2. Ministry Peer Servant/Peer Servant/Area Shepherd are responsible for promoting awareness of the policy and providing guidance and support to staff interested in pursuing career development opportunities.

I. Policy Compliance

1. All CCT MBA staff are expected to comply with the provisions of the staff development policy and actively participate in the staff development process.
2. Ministry Peer Servant/Peer Servant/Area Shepherd are responsible for supporting employees in their staff development efforts and fostering a supportive and inclusive work environment conducive to professional growth.





J. Policy Revision

This policy will be periodically reviewed and updated as needed to reflect changes in CCT MBA priorities, industry trends, and best practices in staff development.





CHAPTER 4 : CODE OF DISCIPLINE

Although we recognize the value of discipline, fostered by clear rules and regulations for the orderly and stable operation of the association, CCT MBA aspires that the code of discipline reflects who we are as individuals and as an association in our desire to glorify God in everything we do and to bear witness to His transforming work in and through the association.

The CCT MBA code of discipline therefore revolves round the following themes :

- A. As a guide to holiness, CCT MBA is a Christian organization. It does everything for the glory of God, according to Biblical principles. God's laws in the Bible are not means to salvation, but rather means of grace, to help his people "Be (His) treasured possession .. A kingdom of priest and a holy nation". (Exodus 19:5,6). We pursue holiness as individuals and as an association because this is God's desire for us and we would like to please Him.
- B. As a tool to make CCT MBA a committed enterprise. A committed is an enterprise whose vision, mission, core values and corporate practices are aligned, helping it to be more effective, if not efficient, in pursuing its set goals.

The Code of Discipline intends to help reflect CCT MBA's core values and distinctive in its day to day operations and in the conduct of its personnel. CCT MBA's vision is to see Christ-centered faith communities and the Code of Discipline is an integral component to institutionalize the elements of a Christ-centered faith community in CCT MBA's corporate life and structure and to facilitate God's work of transformation in and through the association.

SECTION 1 : POLICY STATEMENT

CCT MBA shall be responsible for promulgating and enforcing rules which are reasonable and necessary for operational efficiency and safety of its employees. CCT MBA shall make these rules known and all employees must abide by them as a condition for their continued employment.

SECTION 2 : DISCIPLINARY ACTION

CCT MBA management must be able to identify performance problems and to distinguish whether a performance problem requires disciplinary action or not. Disciplinary action is an appropriate solution to a performance problem after the following conditions are met :

- A. The employee has been advised of the problem and the need to take corrective action;
- B. The employee has been properly trained;
- C. Nothing prevents the employee from doing his/her work properly;
- D. The employee has been given feedback on how well or how poorly he is doing;
- E. The consequences of good performance are not punishing or unpleasant.





- D. All suspensions shall be without pay.
- E. Any and all disciplinary actions shall be done in accordance with the Labor Code of the Philippines.
- F. Implementation of disciplinary action on erring employees shall not preclude the association from filing criminal action in accordance with the applicable laws of the state.
- G. The penalties imposed by management shall be without prejudice to whatever civil or criminal liability that may be adjudged by appropriate court arising from said breach of discipline.
- H. When the infraction results to or involves loss or wastage or damage to the association's property or equipment, the responsible employee will be required to pay for its actual cost in addition to other penalties that may be imposed pursuant to this set of rules.
- I. If the violation or infraction is committed by a managerial or supervisory employee, the most severe penalty shall be imposed depending upon the circumstances of the particular situation or discipline case.
- J. This set of rules is not intended to be restrictive nor encompassing. The association whenever is necessary, may promulgate other necessary policies, rules and regulations relative to discipline which shall be deemed to be automatically incorporated in this set of rules after proper consultation and/or discussion with the management / employees of the association. The association may also delete or amend existing definition and/or penalties.



CHAPTER 5 : DISPUTE POLICY

Disputes related to micro insurance contracts shall be initially settled through the CCT MBA area / support office staff together with the ministries present in the communities.

Disputes or complaints may come in the form of claims filing, status, notification and disposition, membership criteria and benefits inquiries among others. Area and ministry point persons who may be contacted to help address the disputes include :

- A. CCT MBA Area Officers and Support Staff
- B. Faith Community Missionaries / Faith Community Missionaries Coordinator
- C. Paglingap Coordinators
- D. Area Shepherd or Region Head
- E. Ministry Peer Servants / Peer Servants

Upon receipt of the dispute / complaint, the same shall be reviewed and resolved within the agreed turnaround time. Should there be instances of unresolved disputes / complaints, either party may submit such dispute to mediation or through an Alternative Dispute Resolution (ADReM). If the dispute can not be resolved through mediation, then the parties concern may pursue any right or remedy available to them under applicable law.

As part of the CCT Group of Ministries policy on transparency and integrity, area based staff are encouraged to report any instances of suspected or actual commission of fraud, theft, violation of policies, law, rule or regulation, any misconduct, illegal or unacceptable behaviour of the staff or trustees that is contrary to the core values of the association.

Staff who report false or malicious allegations will be subject to disciplinary action with possible termination of employment in accordance with the Company Rules and Regulations (CRR).

CHAPTER 6 : MEMBERSHIP

SECTION 1 : QUALIFICATIONS FOR MEMBERSHIP

- A. Applicants must be at least eighteen (18) years old but not more than sixty (60) years old as of the enrollment date and can meet all the requirements stated in the prescribed application form;
- B. He/She must be an active member of Center for Community Transformation (CCT) Group of Ministries and other organized groups recognized by CCT MBA including their personnel and staff and that of the mutual benefit association;
- C. Any willful misstatement in the application that would render a person eligible for insurance when he/she would otherwise be ineligible shall be sufficient cause for the cancellation of membership in CCT MBA at any time such misstatement is known.
- D. Members rolling over from the prior insurance program shall have their length of membership therein counted to meet the length of membership requirements for full benefits as shown in the CCT MBA Table of Benefits.

SECTION 2 : RIGHTS OF MEMBERS

- A. To exercise the right to vote on all matters relating to the affairs of the association;
- B. To be eligible to any elective or appointive office of the association;
- C. To participate in all deliberations / meetings of the association;
- D. To avail of all the services of the association; and
- E. To inspect and examine all the records or books of the association during business hours and to exercise other rights and privileges of membership.

SECTION 3 : DUTIES AND RESPONSIBILITIES

- A. To obey and comply with the by-laws, rules and regulations that may be promulgated by the association from time to time;
- B. To attend all meetings that may be called by the Board of Trustees;
- C. To pay membership dues and other assessments of the association;
- D. To participate in the governance and to protect the funds of the association; and
- E. Continuously give suggestions and comments on how to better run the association.

SECTION 4 : MEMBER IN GOOD STANDING

In order to remain in good standing, a member must not be in arrears in the payment of membership dues and other required fees.

SECTION 5 : CERTIFICATE OF MEMBERSHIP

CCT MBA shall issue membership certificates to members specifying the benefits or services to which such members are entitled. Such certificates together with the Articles of Incorporation and its By-laws and all existing laws as may be pertinent shall constitute the agreement, as of the date of its issuance, between CCT MBA and its members.

The Certificate of Membership shall continue during the life of the member unless otherwise terminated under the conditions for termination of membership enumerated in the Implementing Rules and Regulations (IRR).

SECTION 6 : MEETINGS

A. Annual Meeting

The annual meeting of the members shall be held on every third Thursday of March at a venue to be chosen each year. The Chairperson shall render his/her annual report to the members regarding the activities of the association. The election of trustees shall also be held during the regular meeting.

The order of business at the annual meeting of the members shall be as follows:

Part I : Corporate Worship Celebration

Part II : Business Meeting Proper

1. Singing of the Philippine National Anthem;
2. Proof of the presence of a quorum;
3. Reading and approval of the minutes of the previous annual meeting, except when such reading is dispensed with by a majority vote of those present;
4. Business arising from the last meeting;
5. Report of the General Manager;
6. Report of the Treasurer;
7. Election of the Trustees for the ensuing year;
8. Other Matters

The order of business of any meeting may be changed by a vote of a majority of the members present.

B. Special Meetings

Special meetings of the members shall be called as the need thereof arises, by the Board of Trustees or the Chairperson or upon petition of one-third (1/3) of the general membership.

C. Notice of Meeting

Notices of the time and place of annual and special meetings of the members shall be given either personally or by electronic mail, at least two (2) weeks before the date set for such meeting. The notice of every special meeting shall state briefly the purpose or purposes of the meeting.

D. Quorum

In all regular or special meeting of members, at least fifty per centum (50%) of all members in good standing plus one (1) must be present or represented by proxy in order to constitute a quorum. A member may be represented by a proxy through a written notice to the Secretary. The authorization shall be valid only on the date of the meeting indicated thereon. If no quorum is constituted, the meeting shall be adjourned until the requisite number of members shall be present.



E. Conduct of Meeting

Meeting of members shall be presided over by the Chairperson, or in his/her absence the Vice Chairperson. The Secretary shall document the minutes of every meeting or in his/her absence the Chairperson of the meeting shall appoint a secretary of the meeting.

F. Manner of Voting

Members shall be entitled to one vote, and they may vote either in person or by proxy which shall be in writing and filed with the Secretary of the association before the scheduled meeting.



CHAPTER 7 : STAKEHOLDERS

CCT MBA respects the rights of stakeholders established by law, by contractual relations and through voluntary commitments and adopts a framework that promotes transparency, fairness and cooperation between and among the stakeholders and the association.

SECTION 1 : MEMBERS

CCT MBA members come from the sectors served by the CCT Group of Ministries which include micro entrepreneurs, agricultural workers, fisher folks, tribes people, factory workers, street families, informal workers, pastors and Christian development workers among others. CCT MBA is committed to building a Christ-centered faith community where each member has access to social security by ensuring that resources are allocated for members' benefit and community development. These may include education and training, health and medical missions, disasters and risk reduction measures aimed at building resiliency in the communities where the members are present.

SECTION 2 : EMPLOYEES

CCT MBA believes that it is a part of God's original design for His children to be His stewards and caretakers of His creation. Therefore CCT MBA considers employment as a matter of calling. As stewards, CCT MBA staff are expected to be nameless, faceless, faithful, diligent and joyful servants of God.

In turn, CCT MBA commits to provide a conducive work environment where the staff can thrive and grow wholistically – spiritually, mentally, emotionally, socially. Morning devotions coupled with weekly corporate worship and discipleship meetings helps strengthen their faith in God. Staff development programs designed to develop their aptitude, skills and abilities are reviewed periodically for relevance and adaptability. This is to ensure that CCT MBA has an adequate pool of well rounded individuals who are ready to occupy key positions once they have completed their training program. Training programs may include formal and informal trainings (undergraduate or masters degree courses), coaching and mentoring sessions, short term local and international courses (online / face to face), study tours, seminars, conferences, workshops.

CCT MBA adheres to the principle of open communication among its staff and adopts an open door policy where every staff is encouraged to bring to the attention of his immediate supervisor or higher management any legitimate issue, problem or concern related to his work, his co-workers or the community partners.

The health and wellness of the employees is a priority focus as the association provides benefits and services beyond the government mandated benefits. These include life, health and accident insurance plans, annual physical examinations, eye examinations among others.



SECTION 3 : PARTNER MINISTRIES / ORGANIZATIONS

As a member of the CCT Group of Ministries, CCT MBA works in close collaboration with the ministries directly serving the communities to ensure prompt and timely delivery of benefits to the target sectors served. Orientations are regularly conducted to ensure that the ministry staff are kept abreast with recent updates on the products and services of the association.

Ministries that are part of the CCT Group of Ministries include :

- A. Micro entrepreneurs : CCT Multipurpose Cooperative
- B. Street Families : CCT Kaibigan Ministry Inc, Kaibigang Maaasahan Multipurpose Cooperative, C's Kingdom Buildings, CCT Blessings Service Cooperative
- C. Tribespeople : CCT Ministry Among Tribespeople
- D. Workers : CCT Working Hands Ministry
- E. Pastors / Christian Workers : CCT Community Fellowship, CCT Ministers Association of the Philippines, CCT Jehovah Jireh Multipurpose Cooperative

SECTION 4 : REGULATORY AGENCIES

CCT MBA abides by the regulatory framework designed to protect the rights of the members, promote fair competition, order and safety and ensure compliance with established standards and requirements. Regulatory agencies include the Insurance Commission, Securities and Exchange Commission, Bureau of Internal Revenue, Local Government Units and other government agencies.

SECTION 5 : SUPPLIERS / CONTRACTORS

All procurement activities of the association shall comply, at a minimum to the following requirements :

- A. CCT MBA shall be aligned to its strategic thrusts after careful assessment of the existing capacities within the association.
- B. Where applicable, cost comparisons should be done to ensure that the procurement is reasonable, economical and for the best interest of the association.
- C. Request for quotations / proposals should include :
 1. A brief description of the item, product or service to be purchased. For comparative proposals, description should not include features that would unduly restrict competition.
 2. Request for quotations / proposals should include factors that will be used to evaluate the quotations / proposals.
 3. Where relevant, the specific features of the "brand name or equal" descriptions should be included in the quotations / proposals.
 4. To the extent practicable and economically feasible, products and services that are environment friendly and are energy efficient should be given priority.





- D. Quotations / proposals from the small and medium enterprises (SME) of community partners will be encouraged as and when this is applicable.
- E. Contracts shall be made only with contractors duly endorsed by the Board of Trustees, Regional Council or any corporate member that possess the capacity to meet the requirements of the association. Consideration shall also be given to the contractor's integrity, past performance, financial and technical resources as needed.

SECTION 6 : CREDITORS

CCT MBA acknowledges its obligations to its creditors and commits to allocate sufficient funds to pay for its obligations in a timely, accurate and complete manner. And in accordance with the law, creditors' are given priority in the payment of obligations in the normal course of business and in the event of liquidation.

SECTION 7 : COMMUNITIES AT LARGE

CCT MBA is committed in delivering affordable social services to the communities where the CCT Group of Ministries are present. Together with the other ministries under the CCT Group of Ministries umbrella, the association aims to deepen its engagement in community development through health and wellness programs, disaster risk reduction and management, livelihood skills seminars and workshops, community servant leadership training and voters education programs.

SECTION 8 : ENVIRONMENT

As part of God's mandate to be stewards of God's creation, CCT MBA support the sustainable development goals (SDG) on clean water and sanitation, climate action, life below water and life on land. CCT MBA will consider community based projects that addresses environmental issues.





CHAPTER 8 : DISCLOSURE AND TRANSPARENCY

One of the core values of corporate good governance is transparency. The Board together with the management and staff commits to promote and ensure full disclosure, transparency and shall remain accountable to this Manual. This is a commitment and a policy of the Board.

The Board commits at all times to comply with all disclosure requirements specifically those that will include material information as mandated by regulators within the prescribe period of time. The following material information that will be publicly made available are : financial and non financial reports such as (and not limited to) earning, material acquisition, related third party transactions, audited financial statements, board structure (bio-data) and remunerations. The audited financial statements shall be publicly disclosed not later than 60 days after the financial year clearly stating that the management is responsible for its preparation, impartial presentation in accordance to the financial reporting standards of the Insurance Commission for mutual benefit associations.





CHAPTER 9 : COMMUNICATION, TRAINING AND MONITORING PROCESSES

SECTION 1 : COMMUNICATION

This manual shall be made available for inspection by any member of the Association at reasonable hours on business day.

All trustees, management and area officers are tasked to ensure that thorough dissemination of this manual to all employees and related third parties, and to likewise enjoin compliance in the process.

Pursuant to the IC Circular, a copy of this manual shall be posted on the official website of the Association.

SECTION 2 : TRAINING

Management and area officers shall conduct orientation trainings on the contents of the manual. Trustees are required to attend Corporate Governance seminars conducted by duly accredited private or government institutions.

SECTION 3 : MONITORING PROCESSES

An officer shall be task to ensure compliance with this Manual. Any violation on the provisions of this manual shall be subject to appropriate sanctions as defined in the Employee Handbook.

Manual shall be reviewed and updated periodically as needed.



ANNEX A : BOARD ASSESSMENT TOOL

SECTION 1 : SUMMARY ASSESSMENT RESULTS

Corporate Governance Principles and Leading Practices		Level of Observance			Remarks / Explanations
		Observed	Not Observed	Not Applicable	
A	The Board				
B	Accountability and Audit				
C	Relations with members				



SECTION 2 : BOARD

Essential Standard		Level of Observance			Remarks / Explanations
		Observed	Not Observed	Not Applicable	
Board Assessment Tool					
Board					
A The Board					
1	The Board has met regularly to discharge its duties and functions.				
2	The Association's Annual Report includes :				
	a The operation and various decisions made by the Board				
	b Identification of Chairperson, Vice-Chairperson, Independent Trustees and the Chairperson of the different committees				
	c Number of meetings				
3	Evaluation of the Ministry Peer Servant's performance by the Chairperson and the Board of Trustees				
4	Evaluation by the Board Members				
5	Minutes of Board Meetings reflecting issues and concerns of the trustees				
6	Has arranged appropriate insurance cover for all trustees in relation to their official functions				
Responsibilities of the Board					
1	Has reviewed and adopted the association's strategic plans				
2	Has overseen the proper conduct of the association's business				
3	Has identified and implemented the appropriate risk management system for the association				
4	Has approved policies in relation to the core operations of the association				
5	Has adopted plans for the succession, appointment, training and compensation packages for all personnel consistent with the interest of the stakeholders				
6	Has reviewed the internal control systems and management information systems of the association.				
7	Has selected and appointed qualified officers to administer the affairs of the association in the course of its business				
8	Has reviewed and approved material transactions not in the course of the association's ordinary transactions				
9	Has established a system of checks and balances on the Board as well as its				
10	Has place an appropriate reporting system in order for the Board to monitor				
11	Has presented to all its members a balanced and understandable assessment of the association's performance and financial condition.				
12	Have appointed a compliance officer				
13	Have appointed a corporate secretary				
Constitution of an Effective Board					
1	Has complied with the required number of board members.				
2	Has two (2) independent trustees				
3	Has a balance of Executive and Non Executive trustees				
4	Has separate role and functions of Chairperson and Ministry Peer Servant				
5	Has provided check and balances to ensure the independent, outside views, perspectives and judgements are given proper hearing.				
Appointments to the Board					
1	There have been formal, rigorous and transparent procedures for the appointment of a new trustee.				
2	Appointments to the Board have been based on merit and against subjective criteria.				
3	Careful deliberation and consideration have been done to ensure that all appointees have enough time for the job.				
4	Have in place or plans or set-ups for orderly succession to the Board and that of the senior management level in maintaining a balance of appropriate skills and experiences within the association and the Board.				





Essential Standard		Level of Observance			Remarks / Explanations
		Observed	Not Observed	Not Applicable	
Board Assessment Tool					
Board					
	a	Nomination Committee			
		i. Composed of three (3) members, one of whom is an independent trustee.			
		ii. Has reviewed and evaluated the qualifications / qualities of all persons nominated to the board and those nominated to other positions requirement appointment by the Board of Trustees.			
		iii. Has prepared a description of the roles and capabilities required of a particular appointment.			
		iv. Has prepared job specifications for the position of the chairperson, including an assessment of the time commitment expected of him recognizing the need for his availability in the event of crisis.			
		v. Non executive trustees have sufficient time to meet and do what is expected of them.			
		vi. The Nomination Committee has considered the following guidelines in the determination of the number of trustees for the Board :			
		* the nature of the business of the association			
		* age of the trustee			
		* number of active membership in other organizations			
		* possible conflict of interest			
	b	Audit Committee			
		i. Has been comprised of independent board members, preferably with accounting and finance experiences.			
		ii. Has provided oversight of the association's internal and external auditors.			
		iii. Has been responsible for the setting up of the internal audit department and for the appointment of the internal auditors as well as the independent external auditors.			
		iv. Has monitored and evaluated the adequacy and effectiveness of the association's internal control system.			
	c	Remuneration Committee			
		i. Composed of three (3) members, one of whom is an independent trustee.			
		ii. It has monitored the structure and level of remunerations for senior management.			
Members of the Board					
	1	Trustees possess the necessary skills, competence and experience, in terms of management capabilities preferably in the field of insurance or insurance related disciplines			
	2	Trustees are persons of integrity and credibility.			
	3	The independent trustee has not been an officer or employee of the association, its subsidiaries or affiliates or related interests for at least three (3) years immediately preceding his term or incumbency;			
	4	Permanently disqualification			
	a	Persons who have been convicted by final judgment of the court for offenses involving dishonesty or breach of trust suchh as estafa, embezzlement, extortion, forgery, malversation, swindling and theft;			
	b	Persons who have been convicted by final judgment of the court for violation of insurance laws;			
	c	Persons who have judicially declared insolvent, spendthrift or incapacitated to contract; or			
Duties and Reponsibilities of Board Members					
	1	Conducted fair business transactions with the association to ensure personal interest does not bias board decisions.			
	2	Avoided situations that would give rise to a conflict of interest.			
	3	Not use his position to profit or acquire benefits or advantages for himself and/or his related interest.			
	4	Acted honestly in good faith and with loyalty to the best interest of the association, its members and other stakeholders.			
	5	Devoted time and attention necessary to properly discharge their duties and responsibilities.			
	6	Acted judiciously in making decisions.			
	7	Exercised independent judgment			
	8	A working knowledge of the statutory and regulatory requirements affecting the association, including the contents of the articles and by-laws, requirements of the Insurance Commission, and where applicable, the requirements of other government agencies.			
	9	Observed confidentiality on non public information			
	10	Have appointed a corporate secretary			





Essential Standard		Level of Observance			Remarks / Explanations
		Observed	Not Observed	Not Applicable	
Performance Evaluation					
1	Had undertaken a formal and rigorous annual assessment of its own performance and that of its committees and individual trustees.				
2	The Chairperson has acted on the results of the performance evaluation made.				
3	The Chairperson has ensured that the trustees continually update their skills, knowledge and familiarity with the association's goals and objectives in order to fulfill their role on the Board and/or Board Committees.				
4	The association has provided the necessary resources in developing and updating the trustee's knowledge and capabilities				



SECTION 3 : ACCOUNTABILITY AND AUDIT

Essential Standard		Level of Observance			Remarks / Explanations
		Observed	Not Observed	Not Applicable	
<p>Board Assessment Tool Accountability and Audit</p>					
B Accountability and Audit					
Financial Reporting					
1	The Board has timely and accurate disclosure on all material matters, including the financial condition, performance, ownership and governance of the association.				
2	The Board has received regular reports on key aspects of the operations of the association in order to provide a sound basis for assessment in identifying real and potential problems and formulating appropriate policies and strategies thereof.				
3	The Board has ensured faithful compliance with the financial and other reportorial requirements under the Insurance Code using the formats provided by the Insurance Commission.				
Internal Control and Risk Management					
1	The Board has ensured that an effective system of controls is in place for safeguarding the association's assets.				
2	Major risks facing the association which are likely to affect the performance and the approach taken by management in dealing with these risks, has been reported to the Board on effectively addressing said risks.				
3	The Board has ensured that the reports accurately reflect the financial condition and the results of the association's operations.				
4	The Board has regularly reviewed the association's risk management system of securing adherence to key internal policies as well as to significant laws and regulations that apply to it. An effective and comprehensive internal audit of the association's internal control system has been carried out by independent and competent staff. Audit findings and recommendations are reported to the Board and the senior management of the association.				
5	The Board has protected the members through adequate financial controls. The Board has fostered and encouraged a environment of strong internal controls, fiscal accountability, high ethical standards and compliance with the law and code of conduct.				
Audit Commitment and Auditors					
1	The Board has established an audit committee and internal audit office.				
2	The internal audit function has been independent of the activities they audit and has performed with impartiality and due professional care.				
3	The Audit Committee has elevated to international standards the accounting and audit processes, practices and methodologies.				
4	Corporate independence has been maintained so as not to compromise the interest of the members, creditors and other stakeholders.				
Related Party Transactions					
1	Overlapping interests in the association has been disclosed to the Board and any material transactions involving such interests has been similarly disclosed.				
2	Related party transactions has been conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the association, its members, creditors and claimants				
3	Related party transactions has been disclosed fully to the Board. Prior Board approval has been obtained for related party transactions that are material in nature.				



SECTION 4 : RELATIONS WITH MEMBERS

Board Assessment Tool Relations with Members				
Essential Standard	Level of Observance			Remarks / Explanations
	Observed	Not Observed	Not Applicable	
C	Relations with Members			
	Dialogue with Members			
1	The Chairperson has ensured that the views of the members are communicated to the Board			
	Constructive use of the Annual Membership Meeting			
1	The Board has used the minutes of the Annual Membership Meeting to communicate with the members and encourage their participation.			
2	The association has ensured that the votes cast are properly received and recorded.			

