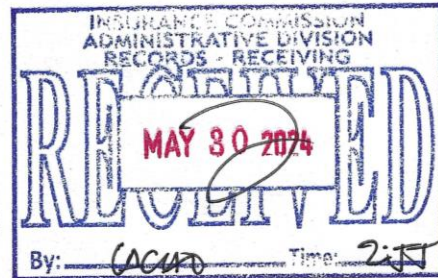


May 30, 2024

HON. REYNALDO A. REGALADO
Commissioner, Insurance Commission
IC Building, 1071 United Nations Avenue, Ermita, Manila



Attention: **Atty. Joana Michelle J. De Ocampo**
Officer-in-Charge, Anti-Money Laundering and Corporate Governance Division

Dear Commissioner Regalado,

Greetings!

In compliance with the Insurance Commission Circular Letter 2020-72 dated June 13, 2020, titled "**Submission of The Annual Corporate Governance Report (ACGR)**", we are pleased to submit the Annual Corporate Governance Report of TSPI Mutual Benefit Association, Inc.

Thank you for your attention to this matter.

Sincerely,



Alice Z. Cordero
President and CEO
TSPI Mutual Benefit Association, Inc.

**ANNUAL CORPORATE GOVERNANCE REPORT OF
TSPI Mutual Benefit Association, Inc.**

1. For the fiscal year ended: December 31, 2023
2. National Capital Region, Philippines
Province, Country or other jurisdiction of incorporation or organization
3. 3rd Floor, TSPI Building, 2363 Antipolo St., Guadalupe Nuevo, Makati City 1212
Address of principal office
4. (02) 8637 2271
Company's telephone number, including area code
5. <https://mbai.tspi.org/>
Company's official website
6. Not Applicable
Former name, former address and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/ POLICY	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION (For non-compliance only)
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interest of its shareholders and other stakeholders			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	<p>The nine (9) members of the Board of Trustees will come from the following:</p> <ul style="list-style-type: none"> • Five from the Board of Trustees of Tulay sa Pag-unlad, Inc. (A Microfinance NGO) • Three client - member representative coming from the North, Central and South Regions • One employee representative who is a regular employee of TSPI <p>A trustee shall have the following minimum qualifications:</p> <ol style="list-style-type: none"> a. Must be of legal age b. Fit and proper for the position of a trustee. In determining whether a person is fit and proper, the following must be considered: <ul style="list-style-type: none"> • Integrity and probity, physical and mental fitness, • Relevant education, financial literacy and trainings, • Possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind and • Sufficiency of time to fully carry out responsibilities. • Must have attended a seminar on corporate governance for Board of Trustees <p>For Board's composition and qualifications, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom1.1.12-ACGR-Page-2-Link-1 Board-Composition Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.1.12-ACGR-Page-2-Link-2-Art-III-Sec-V By-Laws.pdf</p> <p>For List of Board of Trustees, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<p>For Board's composition and qualifications, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom1.1.12-ACGR-Page-2-Link-1 Board-Composition Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.1.12-ACGR-Page-2-Link-2-Art-III-Sec-V By-Laws.pdf</p> <p>For List of Board of Trustees, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	

3.	Directors remain qualified for their positions, individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p>The Governance, Nomination and HR Committee define the general profile of board members, and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the board.</p> <p>As part of the Association’s process of corporate governance assessment and monitoring, the Board shall conduct an annual evaluation of its performance through the self - assessment and peer assessment.</p> <p>The Board as a body shall also be evaluated annually together with the board level committees. This evaluation will help improve board performance that will be beneficial for the Association.</p> <p>For Board of Trustees’ Performance Evaluation and Continuing Education & Training, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.1.3-ACGR-Page-3- -Link-3 -A8-A9_Gov-Manual.pdf</p>	
Recommendation 1.2				
1.	Board is composed of a majority of non-executive directors.	COMPLIANT	<p>The five Board of Trustees who are also Board of Trustees of TSPI (A Microfinance NGO) are Independent Trustees.</p> <p>For Board’s composition and qualifications, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.2.1-ACGR-Page-3- -Link-4_Board-Composition_Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.2.1-ACGR-Page-3- -Link-5 -Art-III-Sec-V_By-Laws.pdf</p> <p>For List of Board of Trustees, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	
Recommendation 1.3				
1.	Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>As part of good governance, the all new board members shall undergo training on Anti Money Laundering Act (AMLA) and Good Governance. This is intended to familiarize the new board members on their roles and responsibilities in the Board and Committees, the Association’s strategic plans, organizational structures, business activities, compliance programs, Code of Conduct and Business Ethics, and Corporate Governance.</p>	

			<p>All trustees are encouraged to participate in continuing education programs at the Association's expense. This is to ensure that all members of the Board are updated on emerging trends and concerns in the microinsurance industry.</p> <p>For Board of Trustees' Orientation, Continuing Education and Training, refer to pages 5 and 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.3.1-ACGR-Page-4_Link-6_-A6-A9_Gov-Manual-1.pdf</p>	
2.	Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	<p>As part of good governance, the all new board members shall undergo training on Anti Money Laundering Act (AMLA) and Good Governance. This is intended to familiarize the new board members on their roles and responsibilities in the Board and Committees, the Association's strategic plans, organizational structures, business activities, compliance programs, Code of Conduct and Business Ethics, and Corporate Governance</p> <p>For Board of Trustees' Orientation, refer to pages 5 to 6 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.3.2-ACGR-Page-4_Link-7_-A6_Gov-Manual-1.pdf</p> <p>and Orientation Program for First Time Directors https://mbai.tspi.org/2023/05/orientation-program-for-first-time-directors/</p>	
3.	Company has relevant annual continuing training for all directors.	COMPLIANT	<p>All trustees are encouraged to participate in continuing education programs at the Association's expense. This is to ensure that all members of the Board are updated on emerging trends and concerns in the microinsurance industry.</p> <p>The Association uses a variety of approaches based on the learning needs of the BOT. Learning session, specifically on spiritual growth, are done through in-house facilitation. There is industry facilitated conventions and relevant for microinsurance industry. Dissemination of reading materials and regular updates on emerging regulatory or governance matters are also provided.</p> <p>For Board of Trustees' Orientation, Continuing Education and Training, refer to pages 5 and 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.3.3-ACGR-Page-5_Link-8_-A6-A9_Gov-Manual-1.pdf</p> <p>For latest Governance and AMLA Workshop, refer to https://mbai.tspi.org/2023/05/governance-and-aml-workshop/</p>	

Recommendation 1.4			
1.	Board has a policy on board diversity	COMPLIANT	<p>Identifying, screening, and evaluating nominees to the Board of Trustees is a through the Board Governance Committee and shall not be discriminate on the basis of gender, race, ethnicity, religion, age or disability but will seek to promote diversity and balance in skills and experience in the Board.</p> <p>For Board's composition and qualifications, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.4.1-ACGR-Page-5-Link-10-Board-Composition-Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.4.1-ACGR-Page-5-Link-9-Art-III-Sec-V-By-Laws.pdf</p>
Recommendation 1.5			
1.	Board is assisted in its duties by a Corporate Secretary	COMPLIANT	<p>The Secretary shall record all the proceedings of the meeting, keep the records in the principal office of the Association, certify the acts of the BOT and members of the Association. The administrative requirements of the Committee shall be handled by the Office of the Corporate Secretary.</p> <p>For Duties and Responsibilities of a Corporate Secretary, refer to page 5 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.5.1-ACGR-Page-5-Link-11-Duties-resp-Gov-Manual.pdf</p> <p>and Section IX of Amended Articles of Incorporation https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.5.1-ACGR-Page-6-Link-12-Section-IX-By-Laws.pdf</p>
2.	Corporate Secretary is a separate individual from the Compliance Officer	COMPLIANT	<p>TSPI MBI Corporate Secretary is Atty. Leonarda D. Banasen while our Compliance Officer is Mr. Mc Roald I. Suarez.</p> <p>For the function of a Compliance Officer, refer to page 12 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.5.2-ACGR-Page-6-Link-13-Compliance-Officer-Gov-Manual-1.pdf</p>

3.	Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	TSPI MBAI Corporate Secretary is Atty. Leonarda D. Banasen which is not a member of the Board of Trustees. For Board of Directors and Senior Management Officers, refer to https://mbai.tspi.org/board-of-trustees-3/
4.	Corporate Secretary attends training/s on corporate governance	COMPLIANT	TSPI MBAI Corporate Secretary, Atty. Leonarda D. Banasen, attended the Corporate Secretary as Corporate Governance Professional Program conducted by ICD on August 2 to 3, 2017, and the Corporate Governance and Board Committees Orientation Workshop conducted by MCPI on July 25, 2018. On August 10, 2020, Atty. Banasen also attended the RIMANSI “MI-MBA Thrive: Overcoming the COVID-19 Pandemic” featuring the Briefer on the Revised Code of Corporate Governance for Insurance Commission Regulated Companies and the Annual Corporate Governance Report. For Training attended by the Corporate Secretary, refer https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.5.4-ACGR-Page-6 Link-14 Corp-Sec-Training.pdf
Recommendation 1.6			
1.	Board is assisted by a Compliance Officer	COMPLIANT	The BOT approved the assignment of a Compliance Officer who coordinates, monitors, and facilitates compliance with existing laws, rules, and regulations of the IC, SEC, BIR, and other regulatory bodies
2.	Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	COMPLIANT	Compliance Officer is Mr. Mc Roald I. Suarez which is not a member of the Board.
3.	Compliance Officer is not a member of the board.	COMPLIANT	For the function of a Compliance Officer, refer to page 12 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-1.6.1-ACGR-Page-6 Link-15 Compliance-Officer Gov-Manual-1.pdf
4.	Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	The Compliance Officer attended Good Governance and Anti-Money Laundering Act (AMLA) Workshop on October 18-20, 2023 conducted by RIMANSI. For Compliance Officer Training https://mbai.tspi.org/2024/05/governance-and-aml-workshop-2023/

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-law, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1.	Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>The Board of Trustees (BOT) acts transparently, accountably, and fairly in the best interest of Association members. They provide strategic direction, approve policies, oversee implementation, and monitor corporate governance. The BOT holds at least four regular meetings annually and may call special meetings. They can also have Executive Sessions for sensitive matters. Committee Chairs maintain communication between Trustees and Management.</p> <p>For Board of Trustees' Duties and Responsibilities and Board Meetings and Quorum Requirement, refer to pages 4 and 6 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.1.1-ACGR-Page-8_Link-18_Gov-Structure_Gov-Manual-1.pdf</p>	
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Recommendation 2.2

1.	Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>The Board of Trustees acts with transparency, accountability, fairness, and in the best interest of Association members. They provide strategic direction, approve, and oversee policy implementation, corporate governance, and values. They also oversee senior management performance to achieve short and long-term strategic objectives.</p>	
2.	Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength	COMPLIANT	<p>For Board of Trustees' Duties and Responsibilities and Board Meetings and Quorum Requirement, refer to pages 4 and 6 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.1.1-ACGR-Page-8_Link-18_Gov-Structure_Gov-Manual-1.pdf</p>	

Recommendation 2.3

1.	Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>TSPI MBAI Chairwoman is Ms. Ma Luz A. Planas who served for 38 years at the Bank of the Philippine Islands (BPI) before retiring as President and CEO of BPI Forex Coro.</p> <p>TSPI MBAI website: Board of Trustees https://mbai.tspi.org/board-of-trustees-3/</p>	
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Recommendation 2.4			
1.	Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	The Board is responsible for implementing an effective succession planning program for directors to ensure the Association's viability and sustainability. This includes adopting a policy on retirement for directors to promote dynamism and prevent power perpetuation, including setting a retirement age as part of management succession.
2.	Board adopts a policy on the retirement for directors and key officers	COMPLIANT	<p>For Retirement and Succession Planning, refer to page 7 of the Governance Manual. https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.4.1-ACGR-Page-9_Link-21_Succession-Planning_Gov-Manual-1.pdf</p> <p>For Governance Nomination and HR Committee, refer to pages 9 and 10 of the Governance Manual. https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.4.1-ACGR-Page-9_Link-21_Succession-Planning_Gov-Manual-1.pdf</p> <p>For HR Manual Performance Management System, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf</p>
Recommendation 2.5			
1.	Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	<p>No member of the BOT shall receive compensation for services to the Association.</p> <p>The Governance, Nomination, and HR Committee oversees the design and implementation of the remuneration and incentives policy for officers</p> <p>The Governance, Nomination, and HR Committee establishes a formal and transparent procedure for developing a policy on executive remuneration, fixing officer remuneration packages, and providing oversight on compensation for Senior Management and key personnel. This ensures that compensation aligns with the Organization's culture, financial capacity, business strategy, and control environment to attract and retain officers essential for successful Association management.</p>
2.	Board aligns the remuneration of key officers and board members with long term interests of the company	COMPLIANT	<p>For Remuneration, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.5.1-ACGR-Page-10_Link-23_Renumeration_Gov-Manual-1.pdf</p>
3.	Directors do not participate in discussions or deliberations involving his/her own remuneration	COMPLIANT	

			<p>For Governance Nomination and HR Committee, refer to pages 9 and 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.5.1-ACGR-Page-10_Link-23_Renumeration_Gov-Manual-1.pdf</p> <p>For HR Manual Performance Management System, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf</p>	
Recommendation 2.6				
1.	Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Governance, Nomination, and HR Committee oversee the nomination and election process for Board of Trustees members and appointed positions	
2.	Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	For Rights of a Member, refer to page 15 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.6.1-ACGR-Page-11_Link-27_Rights-of-Members_Gov-Manual-1.pdf	
3.	Board nomination and election policy includes how the company accepts nominations from minority shareholders	COMPLIANT	For Voting on Motions and Election of Trustees, refer to pages 18 and 19 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.6.1-ACGR-Page-11_Link-27_Rights-of-Members_Gov-Manual-1.pdf	
4.	Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		
5.	Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	For Election and Term of Office, refer to page 5 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.6.5-ACGR-Page-11_Link-30_Election-Term-of-Office_Gov-Manual.pdf	
6.	Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	For Performance Evaluation, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.6.5-ACGR-Page-11_Link-30_Election-Term-of-Office_Gov-Manual.pdf	
Recommendation 2.7				
1	Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	For RPT, refer to page 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.7.1-ACGR-Page-12_Link-32_Gov-Nom-HR-Com_Gov-Manual.pdf	

2	RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	COMPLIANT	For RPT, refer to page 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.7.1-ACGR-Page-12_Link-32_Gov-Nom-HR-Com_Gov-Manual.pdf	
3	RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8				
1.	Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	For the Senior Management Team, refer to pages 11 and 12 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.8.1-ACGR-Page-12_Link-35_SMT_Gov-Manual.pdf For Board of Trustees and Executive Officers, refer to https://mbai.tspi.org/board-of-trustees-3/	
2.	Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)	COMPLIANT		
Recommendation 2.9				
1.	Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	For the Senior Management Team, refer to pages 11 and 12 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.9.1-ACGR-Page-13_Link-37_SMT_Gov-Manual.pdf For HR Manual Performance Management System, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf	
2.	Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management	COMPLIANT	For Employees, refer to page 20 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.9.2-ACGR-Page-13_Link-38_Employees_Gov-Manual.pdf	

Recommendation 2.10			
1.	Board oversees that an appropriate internal control system is in place,	COMPLIANT	For Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.10.1-ACGR-Page-13_Link-39_Audit_Gov-Manual.pdf
2.	The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	For HR Manual Code of Business Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf
3.	Board approves the Internal Audit Charter	COMPLIANT	For External and Internal Auditor, refer to pages 13 and 14 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.10.3-ACGR-Page-14_Link-41_Audit-Internal-External_Gov-Manual.pdf
Recommendation 2.11			
1.	Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	For Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.11.1-ACGR-Page-14_Link-42_Audit-Gov-Manual.pdf
2.	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	
Recommendation 2.12			
1.	Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	For Governance Structure, refer to pages 2 to 11 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-2.12.1-ACGR-Page-14_Link-44_Goc-Structure-Gov-Manual-1.pdf
2.	Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	
3.	Board Charter is publicly available and posted on the company's website.	COMPLIANT	TSPI MBI website: https://mbai.tspi.org/board-of-trustees-3/

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1.	Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>For Board Level Committees, refer to pages 8 to 11 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.1-ACGR-Page-14_Link-46_Board-Level-COM_Gov-Manual.pdf</p> <p>For AGM Election Result, refer to https://mbai.tspi.org/wp-content/uploads/2023/05/Results-of-Election-CY-2023.pdf</p>	
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Recommendation 3.2

1.	Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>For Audit Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.2-ACGR-Page-15_Link-47_audit-risk-compliance_Gov-Manual-1.pdf</p> <p>For AGM Election Result, refer to https://mbai.tspi.org/wp-content/uploads/2023/05/Results-of-Election-CY-2023.pdf</p>	
2.	Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	<p>For Board Committee, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	
3.	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT		
4.	The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT		

Recommendation 3.3			
1.	Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee	COMPLIANT	For Governance Committee refer to pages 9 and 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.3-ACGR-Page-15_Link-48_gov-nomination-hr_Gov-Manual.pdf For AGM Election Result, refer to https://mbai.tspi.org/wp-content/uploads/2023/05/Results-of-Election-CY-2023.pdf
2.	Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors	COMPLIANT	For Board Committee, refer to https://mbai.tspi.org/board-of-trustees-3/
3.	Chairman of the Corporate Governance Committee is an independent director	COMPLIANT	
Recommendation 3.4			
1.	Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Risk Oversight matter is under the Audit Risk and Compliance Committee For Risk Oversight Committee function, refer to page 10-11 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.4-ACGR-Page-16_Link-49_audit-risk-compliance_Gov-Manual.pdf
2.	BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	For Board Committee, refer to https://mbai.tspi.org/board-of-trustees-3/
3.	The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	
4.	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	

Recommendation 3.5			
1.	The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	RPT matters will be under the Governance, Nomination and HR Committee For Related Party Transactions, refer to page 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.5.1-ACGR-Page-16_Link-51_audit-risk-compliance_Gov-Manual.pdf
2.	RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	For AGM Election Result, refer to https://mbai.tspi.org/wp-content/uploads/2023/05/Results-of-Election-CY-2023.pdf TSPI MBI website: Board of Trustees https://mbai.tspi.org/board-of-trustees-3/
Recommendation 3.6			
1.	All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information	COMPLIANT	For Board Level Committee Charters, refer to pages 8 to 11 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.6.1-ACGR-Page-17_Link-52_Board-Level-Com_Gov-Manual.pdf For Committee Performance Evaluation, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-3.6.2-ACGR-Page-17_Link-53_Performance-Evaluation_Gov-Manual.pdf
2.	Committee Charters provide standards for evaluating the performance of the Committees	COMPLIANT	For Committee Charters, refer to https://mbai.tspi.org/board-of-trustees-3/
3.	Committee Charters were fully disclosed on the company's website	COMPLIANT	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business

Recommendation 4.1

1.	The directors attend and actively participates in all meetings of the Board Committees and shareholders in person or through tele-videoconferencing conducted in accordance with the rules and regulations of the Commission	COMPLIANT	For Board Meetings and Quorum Requirement, refer to pages 6 to 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-4.1-ACGR-Page-17_Link-54_Bd-Meetings-Quorum_Gov-Manual.pdf	
2.	The directors review meeting materials for all Board and Committee meetings	COMPLIANT		
3.	The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings	COMPLIANT		

Recommendation 4.2

1.	Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views and oversee the long-term strategy of the company	COMPLIANT	For List of Board of Trustees, refer to https://mbai.tspi.org/board-of-trustees-3/	
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Recommendation 4.3

1.	The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company	COMPLIANT	Nomination of Directors is endorsed thru Governance Committee. This includes Full disclosure of existing and new Director position held in another company. Such updating of bio-data of Director is recorded by the Corporate Secretary. Official Custodian of data is Corporate Secretary Office For Governance Nomination and HR Committee, refer to pages 9 and 10 https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-4.3.1-ACGR-Page-18_Link-56_audit-risk-compliance_Gov-Manual.pdf	
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Principle 5: The board should endeavor to exercise an objective and independent judgement on all corporate affairs

Recommendation 5.1

1.	The Board is composed of at least twenty percent (20%) independent directors	COMPLIANT	<p>For Board Composition and Qualification, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.1.1-ACGR-Page-18_-Link-57_Board-Composition_Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.1.1-ACGR-Page-20_Link-109_Art-III-Sec-V_20-Board_By-Laws.pdf</p>	
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Recommendation 5.2

1.	The independent directors possess all the necessary qualifications to hold the position	COMPLIANT	<p>For Board Composition and Qualification, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.1.1-ACGR-Page-18_-Link-57_Board-Composition_Gov-Manual.pdf</p> <p>and Article III, Section V of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.1.1-ACGR-Page-20_Link-109_Art-III-Sec-V_20-Board_By-Laws.pdf</p> <p>For list of Board of Trustees, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	
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Recommendation 5.3

1.	<p>The independent directors serve for a maximum cumulative term of nine years</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be</p>	COMPLIANT	<p>For Election and Term of Office, refer to page 5 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.3.1-ACGR-Page-19_-Link-59_Election-Term-of-Office_Gov-Manual.pdf</p>	
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	included in the application of the term limit prescribed in this item			
2.	The company bars an independent director from serving in such capacity after the term limit of nine years	COMPLIANT	For Election and Term of Office, refer to page 5 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.3.1-ACGR-Page-19_Link-59_Election-Term-of-Office_Gov-Manual.pdf	
3.	In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholder's approval during the annual shareholder's meeting	COMPLIANT		
Recommendation 5.4				
1.	The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	For Duties and Responsibilities of Chairman of the Board, refer to page 4 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf	
2.	The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	COMPLIANT	For Duties and Responsibilities of Chief Executive Officer, refer to pages 11 and 12 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.4-ACGR-Page-20_Link-62_SMT_Gov-Manual.pdf For list of Board of Trustees and Senior Management Team, refer to https://mbai.tspi.org/board-of-trustees-3/	
Recommendation 5.5				
1.	If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors	COMPLIANT	For list of Board of Trustees and Senior Management Team, refer to https://mbai.tspi.org/board-of-trustees-3/	

Recommendation 5.6			
1.	Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	For Board Meetings and Quorum Requirement, refer to pages 6 and 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-5.6.1-ACGR-Page-21_Link-64_Bd-Meetings-Quorum_Gov-Manual.pdf For TSPI MBI Code of Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf
Recommendation 5.7			
1.	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	For Board Meetings and Quorum Requirement, refer to pages 6 and 7 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf For Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf
2.	The meetings are chaired by the lead independent director	COMPLIANT	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies .			
Recommendation 6.1			
1.	The Board conducts an annual assessment of its performance as a whole	COMPLIANT	For Performance Evaluation, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-6.1.1-ACGR-Page-21_Link-67_Performance-Evaluation_Gov-Manual.pdf
2.	The performance of the Chairman is assessed annually by the Board	COMPLIANT	
3.	The performance of the individual member of the Board is assessed annually by the Board	COMPLIANT	
4.	The performance of each committee is assessed annually by the Board.	COMPLIANT	

5.	Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		TSPI Mutual Benefit Association, Inc.' Governance Manual was approved by the BOT on July 15, 2020, the Association will ensure that assessment by an external facilitator will be complied with.
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Recommendation 6.2

1.	Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	For Performance Evaluation, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-6.1.1-ACGR-Page-21_Link-67_Performance-Evaluation_Gov-Manual.pdf	
2.	The system allows for a feedback mechanism from the shareholders.	COMPLIANT	For Member's Duties and Responsibilities, refer to page 15 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-6.2.2-ACGR-Page-22_Link-72_Duties-responsibilities_Gov-Manual.pdf And Rights of a Member page, refer to pages 15 and 16 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-6.2.2-ACGR-Page-22_Link-72_Duties-responsibilities_Gov-Manual.pdf For feedback, contact details such as telephone number, office address and email address are available on TSPI MBAI website, refer to https://mbai.tspi.org/	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1.	Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	For TSPI MBAI HR Manual– Code of Conduct and Business Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf	
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2.	The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	For TSPI MBAI HR Manual– Code of Conduct and Business Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf	
3.	The Code is disclosed and made available to the public through the company website.	COMPLIANT		
Recommendation 7.2				
1.	Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	For TSPI MBAI HR Manual– Code of Conduct and Business Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf	
2.	Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	For Audit, Risk, and Compliance Committee, refer to pages 9 and 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-7.2.2-ACGR-Page-23_Link-73_audit-risk-compliance_Gov-Manual.pdf	
Disclosure and Transparency				
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.				
Recommendation 8.1				
1.	Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	For Duties and Responsibilities and Rights of a Member, refer to pages 15 and 16 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf For Annual General Meeting, refer to pages 16 to 18 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.1.1-ACGR-Page-24_Link-74_Duties-responsibilities_Gov-Manual-1.pdf	
Recommendation 8.3				
1.	Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	For Governance, Nomination and HR Committee, refer to pages 9 and 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.3.1-ACGR-Page-24_Link-75_audit-risk-compliance_Gov-Manual.pdf	

2.	Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	For Governance, Nomination and HR Committee, refer to pages 9 and 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.3.1-ACGR-Page-24_Link-75_audit-risk-compliance_Gov-Manual.pdf	
Recommendation 8.4				
1.	Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	For Board's Remuneration, refer to page 3 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.4.1-ACGR-Page-24_Link-78_Renumeration_Gov-Manual.pdf and Article III, Section IV of Amended By-Laws https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.4.1-ACGR-Page-24_Link-77_Art-III-Sec-IV_By-Laws.pdf	
2.	Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	For Executive Remuneration, refer to pages 9 and 10 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf	
3.	Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	For Retirement and Succession Planning, refer to page 7 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.4.3-ACGR-Page-25_Link-80_retirement-gov-non-HR_Gov-Manual-1.pdf For Executive Remuneration, refer to pages 9 and 10 of Governance Manual https://tspi.org/wp-content/uploads/2020/07/CORPORATE-GOVERNANCE-MANUAL-pdf.pdf	
Recommendation 8.5				
1.	Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	For Related Party Transactions (RPT) Committee, refer to page 10 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-8.5.1-ACGR-Page-25_Link-81_Bd-Mtg-Gov-Non-HR_Gov-Manual.pdf	

2.	Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	The Association submits Quarterly Report of Material Related Party Transactions and Annual Report on Conglomerate Structure to the Insurance Commission. For 2023 Audited Financial Statement, refer to https://mbai.tspi.org/2024/05/2023-audited-financial-statement/	
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Recommendation 8.6

1.	Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	For Governance Manual, refer to https://tspi.org/tspi-mbai-corporate-governance-manual/	
2.	Company's MCG is posted on its company website	COMPLIANT		

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1.	Audit Committee has a robust process for approving and recommending the appointment/reappointment, removal, and fees of the external auditors.	COMPLIANT	For Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-9.1.1-ACGR-Page-26_Link-82_Audit-Risk-Compliance-Com_Gov-Manual.pdf		
2.	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT		For the year 2023, TSPI MBI External Auditor is Reyes Tacandong & Co. 2023 Audited Financial Statement, refer to https://mbai.tspi.org/2024/05/2023-audited-financial-statement/	
3.	For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT			

Recommendation 9.2			
1.	Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor 's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	For Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-9.2.1-ACGR-Page-26_Link-84_Audit-Risk-Compliance-Com_Gov-Manual.pdf
2.	Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	
Recommendation 9.3			
1.	Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	The external auditor does not provide non-audit services. Their primary function is the preparation of the Annual Audited Financial Statement. For 2023 Audited Financial Statement, refer to https://mbai.tspi.org/2024/05/2023-audited-financial-statement/
2.	Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	For External Auditor, refer to page 13 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-9.3.2-ACGR-Page-27_Link-86_Audit-Risk-Ext-Auditor_Gov-Manual-1.pdf

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1.	Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	<p>The non-financial information of TSPI MBAI is disclosed to stakeholders through its website and posted at its place of operations or where its clients are located.</p> <p>For non-financial information, refer to https://mbai.tspi.org/tspi-mbai-gallery/</p> <p>For Sustainability Report, refer to for members: https://mbai.tspi.org/sambayanihan-activities-for-members/ for employees: https://mbai.tspi.org/sambayanihan-activities/</p>	
2.	Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	<p>TSPI MBAI regularly informs stakeholders about sustainability and non-financial issues through its Annual Report, Sambayanihan Activities, and updated website, where information about the Association's efforts and activities can be accessed.</p> <p>TSPI MBAI Annual Report: https://mbai.tspi.org/annual-report/</p>	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users

Recommendation 11.1

1.	The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	<p>The TSPI Mutual Benefit Association, Inc. official website: https://mbai.tspi.org/</p>	
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Internal Control System and Risk Management Framework

Principle 12: To the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1.	Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>The Audit, Risk and Compliance Committee regularly monitors and evaluate the adequacy and effectiveness of the internal control system thru the Internal Audit Services of TSPI NGO.</p> <p>For Role and Responsibilities of Audit, Risk and Compliance Committee, refer to page 9 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-12.1.1-ACGR-Page-28_Link-88_Audit-Risk-Int-Auditor_Gov-Manual-1.pdf</p> <p>For the Role and Responsibilities of Internal Auditor, refer to pages 13 and 14 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-12.1.1-ACGR-Page-28_Link-88_Audit-Risk-Int-Auditor_Gov-Manual-1.pdf</p>	
2.	Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>The Audit, Risk, and Compliance Committee reviews the Association's risk management framework and recommends policies and standards for Board approval. The Committee conducts regular reviews of the Association's exposures, recommends necessary mitigation and management actions to limit, control, and monitor these exposures.</p>	

Recommendation 12.2

1.	Company has in place an independent internal audit function that provides an independent and objective assurance , and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>The Internal Audit Services of TSPI NGO also handles the internal audit function of TSPI MBI.</p> <p>The Internal Audit provide an independent assurance service to the Board Audit, Risk and Compliance Committee and management, focusing on reviewing the effective of the governance, risk management and control processes that the management has put into place.</p> <p>For Role and Responsibilities of Internal Auditor, refer to pages 13 and 14 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-12.2.1-ACGR-Page-29_Link-90Audit-Risk-Int-Auditor_Gov-Manual.pdf</p>	
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Recommendation 12.3				
1.	The company has a qualified Chief Audit Executive (CAE) appointed by the Board	COMPLIANT	TSPI Audit program is out-sourced to Tulay sa Pag-Unlad Inc. (A Microfinance NGO)	
2.	CAE oversees and is responsible for the internal audit activity of the organization	COMPLIANT		
3.	In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	The Internal Audit Services of TSPI NGO also handles the internal audit function of TSPI MBAI	
Recommendation 12.4				
1.	The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>TSPI MBAI has a Risk Officer position to review the Association's risk management framework and recommend appropriate policies and standards for Board approval. The Risk Officer performs regular reviews of the Associations' exposures based on the category recommended the necessary mitigation and other management actions to limit, control, and monitor such exposures.</p> <p>For TSPI MBAI Organizational Chart, refer to https://mbai.tspi.org/board-of-trustees-3/</p>	
Recommendation 12.5				
1.	In managing the company's Risk Management System, the company has a Chief Risk Officer who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	The Compliance Officer is appointed con-current Risk Officer.	
2.	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT		

Cultivating a Synergic Relationship With Shareholders

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

Recommendation 13.1

1.	Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Basic rights of a member are clearly indicated on the Corporate Governance Manual - right to information, right to nominate and vote, right to participate in all deliberations and if eligible, right to be elected or appointed in the Association.	
2.	Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	For Member's Rights, refer to pages 15 to 16 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-13.1.1-ACGR-Page-31_Link-95_Rights-of-Member_Gov-Manual.pdf	

Recommendation 13.2

1.	Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	<p>TSPI MBAI ensure that the Notice of Meetings shall reach all its members through means most efficient and convenient to the members. This shall be announced during the conduct of center meetings and posted in all online platform – TSPI website and TSPI Facebook pages.</p> <p>Said notices must be sent to the Secretary by any formal communication at least thirty (30) days before the date of the AGM.</p> <p>For Notice of the Meeting, refer to page 17 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-13.2.1-ACGR-Page-31_Link-97_Notice-of-AGM_Gov-Manual.pdf</p> <p>For Notice of AGM posted on TSPI MBAI website, refer to https://mbai.tspi.org/2024/04/2024-notice-of-the-annual-general-membership-meeting/</p> <p>For Notice of AGM posted on TSPI Facebook Page refer to https://www.facebook.com/TulaySaPagunladInc</p>	
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Recommendation 13.3				
1.	Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day	COMPLIANT	For Voting on Motions and Election of Trustees and Result of AGM, refer to pages 18 and 19 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-13.3.1-ACGR-Page-32_Link-98_Result-of-AGM_Gov-Manual.pdf For AGM Election Result, refer to https://mbai.tspi.org/wp-content/uploads/2023/05/Results-of-Election-CY-2023.pdf	
2.	Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT	For 2024 Minutes of AGM posted on TSPI MBI website, refer to https://mbai.tspi.org/2024/05/2024-minutes-of-the-meeting/	
Recommendation 13.4				
1.	Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	For Advisory Council, refer to page 8 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-13.4.1-ACGR-Page-32_Link-99_Gov-sturcture-mem-duties-AGM-Agenda_Gov-Manual-1.pdf	
2.	The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT		
Duties to Stakeholders				
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.				
Recommendation 14.1				
1.	Board identifies the company's various stakeholders and promotes cooperation between them and the company creating wealth, growth and sustainability	COMPLIANT	The Association identifies both internal and external stakeholders and committed to protect their welfare by ensuring that business is conducted in a transparent and fair manner. The Association actively involve its stakeholders to its activities, harmoniously creating wealth, growth and sustainability. These activities could be found in its Sambayanihan Program, Mission in Action and TSPI Activities. For Stakeholders, refer to pages 19 to 22 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-14.1.1-ACGR-Page-33_Link-101_Gov-Stakeholders_Gov-Manual.pdf	

Recommendation 14.2

<p>1.</p>	<p>Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders</p>	<p>COMPLIANT</p>	<p>The Association is committed to protect the welfare on both internal and external stakeholders by ensuring that business is conducted in transparent and fair manner.</p> <p>The Association has Code of Conduct and Business Ethics, Employee Discipline Manual and Whistle Blower among others are also in place to ensure fair treatment and protection of stakeholders.</p> <p>It also actively informs its stakeholders through its regular meetings and updates posted on its website. Communication lines are also open to encourage and promote transparency through:</p> <ul style="list-style-type: none"> • TSPI Contact Details on the website (telephone, office address and email address) • TSPI Facebook Page and FB messenger <p>For Stakeholders, refer to pages 19 to 22 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-14.1.2-ACGR-Page-33_Link-102_Gov-Stakeholders_Gov-Manual.pdf</p> <p>For TSPI MBAI Code of Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>For TSPI MBAI Whistle Blower Policy, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p> <p>For TSPI MBAI Employee Discipline Manual, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Employee_Discipline_rev_2.pdf</p> <p>For TSPI MBAI Performance Evaluation Policy, refer to https://tspi.org/wp-content/uploads/2020/07/Supplier-Accreditation-and-Performance-Evaluation-Policy.pdf</p>	
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Recommendation 14.3

<p>1.</p>	<p>The Board adopts a transparent framework and process that allow stakeholders to communicate and to obtain redress for the violations of their</p>	<p>COMPLIANT</p>	<p>For Stakeholders, refer to pages 19 to 22 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-14.1.2-ACGR-Page-33_Link-102_Gov-Stakeholders_Gov-Manual.pdf</p>	
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rights		<p>For TSPI MBAI Code of Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>For TSPI MBAI Whistle Blower Policy, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p> <p>For TSPI MBAI Employee Discipline Manual, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Employee_Discipline_rev_2.pdf</p> <p>For TSPI MBAI Performance Evaluation Policy, refer to https://tspi.org/wp-content/uploads/2020/07/Supplier-Accreditation-and-Performance-Evaluation-Policy.pdf</p>	
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1.	Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance	COMPLIANT	<p>The Association ensures that all labor practices are in accordance with the Labor laws and regulations and invest in training and capacity building of employees to perform their functions and activities. The Association ensure that employees feel valued and actively participate in achieving the Association's objectives.</p> <p>For Internal Stakeholders, refer to pages 19 to 21 of Governance Manual https://mbai.tspi.org/wp-content/uploads/2023/05/Recom-15.1.1-ACGR-Page-34_Link-104_Int-Stakeholders_Gov-Manual.pdf</p> <p>Communication lines are also open to encourage and promote transparency through:</p> <ul style="list-style-type: none"> • TSPI Contact Details on the website (telephone, office address and email address) • TSPI Facebook Page and FB messenger <p>For TSPI MBAI official website, refer to https://mbai.tspi.org/</p> <p>For TSPI official Facebook Page, refer to https://www.facebook.com/TulaySaPagunladInc</p>	
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Recommendation 15.2

1.	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct	COMPLIANT	<p>The Code of Conduct and Business Ethics of the Association sets out the basic principles to guide all employees and officer of TSPI and its affiliates to conduct themselves accordingly and seek to avoid even the appearance of improper behavior.</p> <p>TSPI MBAI HR Manual on Employee Discipline also specify the rules and regulations which govern the conduct and behavior of all the employees.</p> <p>For TSPI MBAI Code of Business Ethics, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>For TSPI MBAI Employee Discipline Manual, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Employee_Discipline_rev_2.pdf</p> <p>Communication lines are also open to encourage and promote transparency through:</p> <ul style="list-style-type: none"> • TSPI Contact Details on the website (telephone, office address and email address) • TSPI Facebook Page and FB messenger <p>For TSPI MBAI official website, refer to https://mbai.tspi.org/</p> <p>For TSPI official Facebook Page, refer to https://www.facebook.com/TulaySaPagunladInc</p>	
2.	Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture	COMPLIANT	<p>Regular trainings are provided to employees to be able to perform their functions, help the Association achieve its objectives to promote a compliance culture and make employees feel valued.</p> <p>TSPI Webinars and TSPI Activities https://mbai.tspi.org/sambayanihan-activities/</p>	

Recommendation 15.3

1.	Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<p>TSPI MBAI Whistle Blower Policy addresses its commitment to integrity and ethical behavior by helping to foster and maintain an environment where employees can act appropriately. This policy is consistent and made part of the Association's Code of Conduct and Business Ethics as outlined in the HR Manual.</p>	
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			<p>Employees are strongly encouraged to discuss with their immediate supervisors, managers and other appropriate personnel, when in doubt about the best and ethical course of action in particular situation.</p> <p>For TSPI MBAI Whistle Blower Policy, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p>	
2.	Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	<p>The Whistle Blower Policy allows the employees to have direct access to report to HR Manager – Employee Relation openly, to the Deputy Director of HRMS and Internal Audit Services confidentially, or anonymously any allegation.</p> <p>For TSPI MBAI Whistle Blower Policy, refer to https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p>	
3.	Board supervises and ensures the enforcement of the whistleblowing framework	COMPLIANT		

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

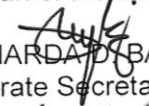
1.	Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>TSPI MBAI believes that commitment to serve the communities where the Association operates is an integral part of why it exists.</p> <p>The Sambayanihan Program (social services program of TSPI) is the program through which TSPI MBAI commits its efforts to giving back to the community. Such activities also create opportunities for members and employee to volunteer and experience the joy of serving others.</p> <p>For Sustainability Report, refer to for members: https://mbai.tspi.org/sambayanihan-activities-for-members/ for employees: https://mbai.tspi.org/sambayanihan-activities/</p>	
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CERTIFICATION


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

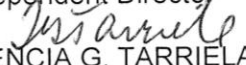
Signed in the City of MAKATI CITY, on the MAY 30 2024 of _____ 2024.



 MA. LUZ A. PLANAS
 Chairman of the Board



 ATTY. LEONARDA D. BANASEN
 Corporate Secretary



 ATTY. CORNELIO C. GISON
 Independent Director


 RENE E. CRISTOBAL
 Independent Director


 FLORENCIA G. TARRIELA
 Independent Director


 ALICE Z. CORDERO
 President / CEO


 SHERRY LOU A. SALAZAR
 General Manager


 MC ROALD I. SUAREZ
 Compliance Officer

JUANITA D. AMATONG
 Independent Director

SUBSCRIBED AND SWORN to before me this MAY 30 2024 day of _____, 20____, by the following who are personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

	<u>NAME</u>	<u>ID NO.</u>	<u>DATE/PLACE ISSUED</u>
1	MA. LUZ A. PLANAS	OSCA 2620957	June 15, 2004/Paranaque
2	ATTY. CONELIO C. GISON	OSCA 21058	May 14, 2014/Alabang Munt.
3	FLORENCIA G. TARRIELA	OSCA 33431	Aug 27, 2009/Makati City
4	RENE E. CRISTOBAL	OSCA 2758219	Sept 1997/Makati
5	JUANITA D. AMATONG	OSCA 2251867	Dec 12, 2003/ Quezon City
6	ALICE Z. CORDERO	OSCA 99100	Mar 13, 2017/ Pasig City
7	ATTY. LEONARDA D. BANASEN	DL 16-94-101543	Nov 26, 2033 (expiry)
8	SHERRY LOU A. SALAZAR	P3451687C	Mar 03, 2023/DFA NCR Northeast
9	MC ROALD I. SUAREZ	P4096492C	May 10, 2023/DFA Calasiao

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 Page No. 78 ;
 Book No. CCCLXIX ;
 Series of 2024.


ATTY. JUANCHO DAVID R. TABLANG
 Notary Public of Makati City
 Commission No. M-214 until December 31, 2024
 PTR No. 10078156; 1/04/2024 / Makati City
 IBP No. 412484; 01/09/2024/ Makati City
 Roll of Attorney: 42002
 MCLE Compliance No. VII-0008035
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 Brgy. Guadalupe Nuevo, Makati City