



08 JUNE 2021

HON. COMMISSIONER DENNIS B. FUNA

Insurance Commission
1071 United Nations Avenue,
Ermita, Manila



Attention: Atty. Jorge Brania

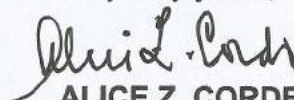
Division Manager, Anti-Money Laundering and Corporate Governance Division

Dear Commissioner Funa,

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

Thank you.

Very truly yours,


ALICE Z. CORDERO
President & CEO

ANNUAL CORPORATE GOVERNANCE REPORT OF

TSPI Mutual Benefit Association, Inc.

1. For the fiscal year ended : 2020
2. Certificate Authority Number : 2019-01-R
3. National Capital Region, Philippines
Province, Country or other jurisdiction of incorporation or organization
4. 3rd Floor, TSPI Building, 2363 Antipolo St., Guadalupe Nuevo, Makati City 1212
Address of principal office Postal Code
5. (02) 86372271
Company's telephone number, including area code
6. <https://tspi.org/>
Company's official website
7. 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 members of the Board of Trustees come from the following:</p> <ul style="list-style-type: none"> • Five (5) from the Board of Trustees of Tulay sa Pag-unlad Inc., (A Microfinance NGO) • Three (3) client-member representatives coming from the North, Central and South Regions • One (1) employee representative who is a regular employee of TSPI 	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<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 matters 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>Corporate Governance Manual - For Board Composition and Board Qualification page 3 https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

		https://tspi.org/tspi-mbai-annual-report-2020/ Amended By-Laws dated Feb 28, 2018, Article III, Section V https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf	
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 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>Corporate Governance Manual – IV Governance Structure</p> <ul style="list-style-type: none"> • A.8 - Performance Evaluation and • A.9 – Continuing Board Education and Training page 7 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>The five (5) Board of Trustees who are also Board of Trustees of TSPI NGO are independent trustees.</p> <p>Corporate Governance Manual - IV Governance Structure A.1 Board Composition page 3</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Amended By-Laws dated Feb 28, 2018, Article III, Section V</p>	

		https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf Organizational chart TSPI website https://tspi.org/tspi-mbai-organization/	
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, all new board members shall undergo training on Anti-Money Laundering Act (AMLA) and Good Governance 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 to ensure that all members of the Board are update don emerging trends and concerns in the microinsurance industry.</p> <p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.6 - Board Orientation page 5 and • A.9 - Continuing Board Education and Training page 7 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</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, all new board members shall undergo training on Anti-Money Laundering Act (AMLA) and Good Governance 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>Corporate Governance Manual – IV. Governance Structure A.6 –Board Orientation page 5-6</p>	

		https://tspi.org/tspi-mbai-corporate-governance-manual/	
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 to ensure that all members of the Board are update don emerging trends and concerns in the micro-insurance industry.</p> <p>The Association uses a variety of approaches based on the learning needs of the Board. Learning session, particularly on spiritual growth are done through in-house facilitation. There is industry facilitated conventions and conferences relevant for micro-insurance industry. Dissemination of reading materials and regular updates on emerging regulatory or governance matters are also provided.</p> <p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.6 –Board Orientation page 5-6 and • A.9 - Continuing Board Education and Training page 7 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</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 through the Board Governance Committee and shall not 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>Corporate Governance Manual - For Board Composition and Board Qualification page 3</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Amended By-Laws dated Feb 28, 2018, Article III, Section V</p> <p>https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min-compressed-1.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 BOR and members of the Association. The administrative requirements of the Committee shall be handled by the Office of the Corporate Secretary.</p> <p>Corporate Governance Manual — IV Governance Structure A.4 Duties and Responsibilities of a Secretary page 5</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Amended By-Laws dated Feb 28, 2018, Article V, Section IX</p> <p>https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer	COMPLIANT	<p>TSPI MBAI Corporate Secretary is Atty. Leonarda D. Banasen while our Compliance Officer is Ms. Cecilia Cenidoza</p> <p>Corporate Governance Manual – IV. Governance Structure D.1 Compliance Officer page 11-12</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	<p>TSPI MBAI Corporate Secretary is Atty. Leonarda D. Banasen which is not a member of the Board of Trustees</p> <p>Amended By-Laws dated Feb 28, 2018, Article V, Section IX</p> <p>https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf</p>	
4. Corporate Secretary attends training/s on corporate governance	COMPLIANT	<p>Last training attended by Atty. Leonarda Banasen is on August 10, 2020 entitled "Mi-MBA Thrive: Overcoming the COVID-19 Pandemic featuring Briefer on the Revised Code of Corporate Governance for Insurance Commission-Regulated Companies and the Annual Corporate Governance Report"</p>	

		Corporate Governance Manual – VII. Stakeholders A.1 and 2 page 19-20 https://tspi.org/tspi-mbai-corporate-governance-manual/	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	COMPLIANT	The BOT approved the assignment of a Compliance Officer who coordinate, monitor and facilitated compliance with existing laws, rules and regulations of the IC, SEC, BIR and other regulatory bodies Corporate Governance Manual – IV. Governance Structure D.1 Compliance Officer page 11-12 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	COMPLIANT	The Compliance Officer is the current OIC of TSPI NGO's Internal Audit Services (IAS) with more than 15 years of internal audit experience	
3. Compliance Officer is not a member of the board.	COMPLIANT	TSPI MBAI Compliance Officer is Ms. Cecilia Cenidoza which is not a member of the Board Corporate Governance Manual – For Appointment of Compliance Officer page 11 and 12 https://tspi.org/tspi-mbai-corporate-governance-manual/	
4. Compliance Officer attends training/s on corporate governance annually.		The last governance training attended is on October 21-23, 2020 entitled "Governance and AMLA Workshop for Mi-MBAs" with MiMAP and Insurance Commission (IC) Corporate Governance Manual – VII. Stakeholders A.1 and 2 page 19-20 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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 act in a manner characterized by transparency, accountability, fairness and for the best interest of the members of the Association. The Board is responsible for providing strategic direction, approving and overseeing the implementation of the Association's policies and procedures, action plans, corporate governance and corporate values. They shall also be responsible for overseeing the performance of senior management towards attainment of the Association's short and long term strategic objective</p> <p>Our Board of Trustees hold at least four (4) regular meetings within the year, special board meeting may also be called by the Chairwoman or by any members of the Board. The Board may call for an Executive Session for them to meet privately to handle sensitive and confidential issues. In addition, Board Level Committee Chair maintain an efficient lines of communication between the Trustees and Management.</p> <p>Corporate Governance Manual –IV. Governance Structure</p> <ul style="list-style-type: none"> • A.1.Board of Trustees page 2 • A.2 Board Duties and Responsibilities page 4 • A.7 Board Meetings and Quorum Requirement page <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/tspi-mbai-organization/</p>	
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 act in a manner characterized by transparency, accountability, fairness and for the best interest of the members of the Association. The Board is responsible for providing strategic direction, approving and overseeing the implementation of the Association's policies and procedures, action plans, corporate governance and corporate values. They shall also be responsible for overseeing the performance of senior management towards attainment of the Association's short and long term strategic objective</p>	

		<p>Corporate Governance Manual –IV. Governance Structure</p> <ul style="list-style-type: none"> • A.1.Board of Trustees page 2 • A.2 Board Duties and Responsibilities page 4 • A.7 Board Meetings and Quorum Requirement page 6 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</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>The Board of Trustees act in a manner characterized by transparency, accountability, fairness and for the best interest of the members of the Association. The Board is responsible for providing strategic direction, approving and overseeing the implementation of the Association's policies and procedures, action plans, corporate governance and corporate values. They shall also be responsible for overseeing the performance of senior management towards attainment of the Association's short and long term strategic objectives.</p> <p>Corporate Governance Manual –IV. Governance Structure</p> <ul style="list-style-type: none"> • A.1.Board of Trustees page 2 • A.2 Board Duties and Responsibilities page 4 • A.7 Board Meetings and Quorum Requirement page 6 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/tspi-mbai-association-objectives/</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 Corp.</p> <p>https://tspi.org/tspi-mbai-organization/</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and	COMPLIANT	<p>The Board is responsible for ensuring and adopting an effective succession planning program for directors to ensure the viability and sustainability of the Association. As part of the succession plan, the Board shall adopt</p>	

management.		<p>a policy on retirement for Directors that will support to promote dynamism and avoid perpetuation in power. This includes adopting a policy on the retirement age for directors as part of management succession</p> <p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.10 Retirement and Succession Planning page 7 • C.3 Governance Nomination and HR Committee pages 9 and 10 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI MBAI HR Manual Performance Management System</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf</p>	
2. Board adopts a policy on the retirement for directors and key officers	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.10 Retirement and Succession Planning page 7 • C.3 Governance Nomination and HR Committee pages 9 and 10 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Retirement plan for key officers and employees</p> <p>https://tspi.org/wp-content/uploads/2021/05/SEC-received-AFS-2020-1.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 Board shall receive any amount of compensation or remuneration for services rendered in the Association.</p> <p>The Governance, Nomination and HR Committee oversees the design and implementation of the remuneration and other incentive policy for officers.</p> <p>Corporate Governance Manual –IV. Governance Structure</p> <ul style="list-style-type: none"> • A.3 Remuneration page 3 	

		<ul style="list-style-type: none"> • C.3 Governance Nomination and HR Committee pages 9 and 10 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI MBAI HR Manual Performance Management System</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf</p>	
2. Board aligns the remuneration of key officers and board members with long term interests of the company	COMPLIANT	<p>The Governance, Nomination and HR Committee establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of officers, and provide oversight over remuneration of Senior Management and other key personnel ensuring that compensation is consistent with the Association's culture, financial capacity, business strategy and control environment to attract and retain officers who are needed to run the Association successfully.</p> <p>Corporate Governance Manual –IV. Governance Structure</p> <ul style="list-style-type: none"> • A.3 Remuneration page 3 • C.3 Governance Nomination and HR Committee pages 9 and 10 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI MBAI HR Manual Performance Management System</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration	COMPLIANT	<p>No member of the Board shall receive any amount of compensation or remuneration for services rendered in the Association.</p> <p>Corporate Governance Manual –IV. Governance Structure A.3 Remuneration page 3</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

		Amended By-Laws dated Feb 28, 2018, Article III Section IV https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Governance, Nomination and HR Committee oversees the nomination and election process for members of the Board of Trustees and for positions appointed by the Board. Corporate Governance Manual – IV. Governance Structure <ul style="list-style-type: none"> • G. Rights of a Member page 15 • E. Voting on Motions and Election of Trustees pages 18-19 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Corporate Governance Manual – IV. Governance Structure <ul style="list-style-type: none"> • G. Rights of a Member page 15 • E. Voting on Motions and Election of Trustees pages 18-19 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	NON-COMPLIANT	TSPI MBI is a non-stock, non-profit organization registered in August 31, 2005 and as granted license by the Insurance Commission on December 22, 2006.	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	Corporate Governance Manual – IV. Governance Structure <ul style="list-style-type: none"> • A.1 Board Composition page 3 • A.2 Board Qualification page 3 • C.3 Governance Nomination and HR Committee pages 9 and 10 https://tspi.org/tspi-mbai-corporate-governance-manual/	

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	Corporate Governance Manual – IV. Governance Structure <ul style="list-style-type: none"> • A.5 Election and Term of Office page 5 • A.8 Performance Evaluation page 7 https://tspi.org/tspi-mbai-corporate-governance-manual/	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company	COMPLIANT	Corporate Governance Manual – IV. Governance Structure <ul style="list-style-type: none"> • A.1 Board Composition page 3 • A.2 Board Qualification page 3 • C.3 Governance Nomination and HR Committee pages 9 and 10 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.3 Governance Nomination and HR Committee pages 9 and 10 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.3 Governance Nomination and HR Committee pages 9 and 10 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.3 Governance Nomination and HR Committee pages 9 and 10 https://tspi.org/tspi-mbai-corporate-governance-manual/	
Recommendation 2.8			
1. Board is primarily responsible for approving the	COMPLIANT	Corporate Governance Manual IV. Governance Structure D. Senior	

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).		Management Team page 11 to 12; https://tspi.org/tspi-mbai-corporate-governance-manual/ https://tspi.org/tspi-mbai-organization/	
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	Corporate Governance Manual IV. Governance Structure D. Senior Management Team page 11 to 12; TSPI MBI HR Manual Performance Management System https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf	
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	Corporate Governance Manual IV. Governance Structure D. Senior Management Team page 11 to 12; TSPI MBI HR Manual Performance Management System 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	Corporate Governance Manual VII. Stakeholders A. Internal Stakeholder page20 TSPI MBI HR Manual Performance Management System https://tspi.org/wp-content/uploads/2020/07/MBA-Performance-Management-System.pdf	

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place,	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/ TSPI MBI HR Manual Code of Business Ethics https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf	
3. Board approves the Internal Audit Charter	COMPLIANT	Corporate Governance Manual - IV. Governance Structure <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • E. External and Internal Auditor pages 13 and 14 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	

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	Corporate Governance Manual - IV. Governance Structure A-C pages 2-11 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Corporate Governance Manual - IV. Governance Structure A-C pages 2-11 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C. Board Level Committees pages 8-11 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9-10 https://tspi.org/tspi-mbai-corporate-governance-manual/	

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	https://tspi.org/tspi-mbai-organization/	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	https://tspi.org/tspi-mbai-organization/	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	https://tspi.org/tspi-mbai-organization/	
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	Corporate Governance Manual - IV. Governance Structure C.3 Governance, Nomination and HR Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors	COMPLIANT	https://tspi.org/tspi-mbai-organization/	

3. Chairman of the Corporate Governance Committee is an independent director	COMPLIANT	https://tspi.org/tspi-mbai-organization/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9-10 Risk Oversight matter is under the Audit Risk and Compliance Committee https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9-10 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Risk Oversight matter is under the Audit Risk and Compliance Committee https://tspi.org/tspi-mbai-organization/	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	https://tspi.org/tspi-mbai-organization/	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT)	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.3 Governance Nomination and HR Committee pages 9 and 10	

Committee, which is tasked with reviewing all material related party transactions of the company.		RPT matters will be under the Governance, Nomination and HR Committee https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	https://tspi.org/tspi-mbai-organization/	

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	Corporate Governance Manual - IV. Governance Structure C. Board Level Committee pages 8-11 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Committee Charters provide standards for evaluating the performance of the Committees	COMPLIANT	Corporate Governance Manual - IV. Governance Structure A.8.Performance Evaluation page 7 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. Committee Charters were fully disclosed on the company's website	COMPLIANT	https://tspi.org/tspi-mbai-corporate-governance-manual/	

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	COMPLIANT	Corporate Governance Manual –IV. Governance Structure A.7 Board Meetings and Quorum Requirement page 6 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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through tele-videoconferencing conducted in accordance with the rules and regulations of the Commission			
2. The directors review meeting materials for all Board and Committee meetings	COMPLIANT	Corporate Governance Manual –IV. Governance Structure A.7 Board Meetings and Quorum Requirement page 6 https://tspi.org/tspi-mbai-corporate-governance-manual/	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings	COMPLIANT	Corporate Governance Manual –IV. Governance Structure A.7 Board Meetings and Quorum Requirement page 6 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	https://tspi.org/tspi-mbai-organization/	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.3 Governance Nomination and HR Committee pages 9 and 10 Nomination of Directors is endorsed	

directorship in another company		<p>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</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
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>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.1 Board Composition page 3 • A.2 Board Qualification page 3 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Amended By-Laws dated Feb 28, 2018, Article III, Section V</p> <p>https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf</p>	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications to hold the position	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.1 Board Composition page 3 • A.2 Board Qualification page 3 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>Amended By-Laws dated Feb 28, 2018, Article III, Section V</p> <p>https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min_compressed-1.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years	COMPLIANT	<p>Corporate Governance Manual-IV. Governance Structure A.5 Election and Term of Office page 5</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</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 included in the application of the term limit prescribed in this item</p>			
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years</p>	COMPLIANT	<p>Corporate Governance Manual-IV. Governance Structure A.5 Election and Term of Office page 5</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholder's approval during the annual shareholder's meeting</p>	COMPLIANT	<p>Corporate Governance Manual-IV. Governance Structure A.5 Election and Term of Office page 5</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure D. Senior Management Team pages 11-12</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/tspi-mbai-organization/</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.4 Duties and Responsibilities page 4 • D. Senior Management Team pages 11-12 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
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	https://tspi.org/tspi-mbai-organization/	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same	COMPLIANT	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • A.7 Board Meetings and Quorum Requirement page 6 • C.2 Audit, Risk and Compliance Committee page 9 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI MBAI HR Manual - Code of Business Ethics</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p>	

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	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • A.7 Board Meetings and Quorum Requirement page 6 • C.2 Audit, Risk and Compliance Committee page 9 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2.			
3. The meetings are chaired by the lead independent director	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure</p> <ul style="list-style-type: none"> • A.4 Duties and Responsibilities page 4 • C. Board Level Committees page 8-11 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

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	<p>Corporate Governance Manual – IV. Governance Structure A.7 Performance Evaluation page 7</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2. The performance of the Chairman is assessed annually by the Board	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure A.7 Performance Evaluation page 7</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
3. The performance of the individual member of the Board is assessed annually by the Board	COMPLIANT	<p>Corporate Governance Manual – IV. Governance Structure A.7 Performance Evaluation page 7</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

4. The performance of each committee is assessed annually by the Board.	COMPLIANT	Corporate Governance Manual – IV. Governance Structure A.7 Performance Evaluation page 7 https://tspi.org/tspi-mbai-corporate-governance-manual/	
5. Every three years, the assessments are supported by an external facilitator.	NON - COMPLIANT		Since the Corporate Governance Manual was approved by the BOT last CY 2020, the Association will ensure that assessment supported by an external facilitator will be complied with.

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	Corporate Governance Manual – IV. Governance Structure A.7 Performance Evaluation page 7 https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	Corporate Governance Manual V. Members <ul style="list-style-type: none"> F. Duties and Responsibilities page 15 G. Rights of a Member page 15-16 Corporate Governance Manual VI. Annual General Meeting page 16-18 https://tspi.org/tspi-mbai-corporate-governance-manual/ https://tspi.org/tspi-mbai-contact-us/# https://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	COMPLIANT	TSPI MBAI HR Manual – Code of Conduct and Business Ethics https://tspi.org/tspi-mbai-code-of-conduct-ethics/	
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as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	TSPI MBI HR Manual – Code of Conduct and Business Ethics https://tspi.org/tspi-mbai-code-of-conduct-ethics/	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	TSPI MBI HR Manual – Code of Conduct and Business Ethics https://tspi.org/tspi-mbai-code-of-conduct-ethics/	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	TSPI MBI HR Manual – Code of Conduct and Business Ethics https://tspi.org/tspi-mbai-code-of-conduct-ethics/	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	TSPI MBI HR Manual – Code of Conduct and Business Ethics https://tspi.org/tspi-mbai-code-of-conduct-ethics/ Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	COMPLIANT	Corporate Governance Manual V. Members <ul style="list-style-type: none"> F. Duties and Responsibilities page 15 G. Rights of a Member page 15-16 	

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.		Corporate Governance Manual VI. Annual General Meeting page 16-18 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • C.3 Governance, Nomination and HR Committee pages 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • C.3 Governance, Nomination and HR Committee pages 9 • D. Senior Management Team page 11-12 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	COMPLIANT	Corporate Governance Manual – IV. Governance Structure A.3 Remuneration page 3 https://tspi.org/tspi-mbai-corporate-governance-manual/ Amended By-Laws dated Feb 28, 2018, Article III, Section IV https://tspi.org/wp-content/uploads/2020/07/01-Amended-By-Laws-Feb-28-2018-min-min-compressed-1.pdf	

Scorecard (ACGS) and the Revised Corporation Code.			
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	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • C.3 Governance, Nomination and HR Committee pages 9 • D. Senior Management Team page 11-12 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • A.10. Retirement and Succession Planning page 7 • C.3 Governance, Nomination and HR Committee pages 9 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • A.7 Board Meetings and Quorum Requirement • C.3 Governance Nomination and HR Committee pages 9 and 10 <p>RPT matters are under the Governance, Nomination and HR Committee</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2. Company discloses material or significant RPTs in its	COMPLIANT	The Association submits quarterly Report of Material Related Party Transactions and annual Report on Conglomerate Structure to the	

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.		Insurance Commission Notes on Audited Financial Statements page 45 https://tspi.org/wp-content/uploads/2021/05/SEC-received-AFS-2020.pdf	
Recommendation 8.6			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Company's MCG is posted on its company website	COMPLIANT	https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 Corporate Governance Manual V. Members <ul style="list-style-type: none"> • F. Duties and Responsibilities page 15 • G. Rights of a Member page 15-16 	

		Corporate Governance Manual VI. Annual General Meeting page 16-18 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	TSPI MBI retained the services of its external auditor https://tspi.org/annual-statements/	
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	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 Board Audit, Risk and Compliance Committee Charter https://tspi.org/tspi-mbai-corporate-governance-manual/	
2. Audit Committee Charter contains the Committee's	COMPLIANT	Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9	

responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.		https://tspi.org/tspi-mbai-corporate-governance-manual/	
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. https://tspi.org/annual-statements/	
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	Corporate Governance Manual - IV. Governance Structure <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • E. External Auditor pages 13 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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	The non-financial information of TSPi MBI shall be disclosed to its stakeholders through its website, social media and/or website of the alliance/association to which it belongs, and post it in its place of operation or where its clients are located. Corporate Governance Manual – VII. Stakeholders B. External Stakeholders pages 21 to 22 https://tspi.org/sustainability-reports/	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial	COMPLIANT	TSPi MBI regularly inform its stakeholders in reporting sustainability and non-financial issues through its Annual Report, Sambayanihan Activities, and updated website were all about the	

issues.		<p>Association's efforts and activities could be access.</p> <p>https://tspi.org/sustainability-reports/</p> <p>https://tspi.org/tspi-mbai-annual-report-2020/</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>TSPI MBAI official website:</p> <p>https://tspi.org/about-tspi-mbai/</p>	
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>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • F. Internal Auditor pages 13 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</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 recommended appropriate policies and standards for Board approval. The Committee performs regular reviews of the Association's exposures based on risk category and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures.</p>	

		Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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 MBAI.</p> <p>The Internal Audit provide an independent assurance service to the Board Audit, Risk and Compliance Committee and management, focusing on reviewing the effectiveness of the governance, risk management and control processes that the management has put into place.</p> <p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • F. Internal Auditor pages 13 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	COMPLIANT	<p>The Internal Audit Services of TSPI NGO also handles the internal audit function of TSPI MBAI and directly supervised by the Audit, Risk and Compliance Committee</p> <p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • F. Internal Auditor pages 13 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization	COMPLIANT	<p>Corporate Governance Manual - IV. Governance Structure</p> <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • F. Internal Auditor pages 13 	
3. In case of a fully outsourced internal audit activity , a qualified	COMPLIANT	The Internal Audit Services of TSPI NGO also handles the internal audit function of TSPI MBAI	

independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.		Corporate Governance Manual - IV. Governance Structure <ul style="list-style-type: none"> • C.2 Audit, Risk and Compliance Committee page 9 • F. Internal Auditor pages 13 https://tspi.org/tspi-mbai-corporate-governance-manual/	
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	The Audit, Risk and Compliance Committee reviews the Association's risk management framework and recommended appropriate policies and standards for Board approval. The Committee performs regular reviews of the Association's exposures based on risk category and recommend the necessary mitigation and other management actions to limit, control or monitor such exposures. Corporate Governance Manual - IV. Governance Structure C.2 Audit, Risk and Compliance Committee page 9 https://tspi.org/tspi-mbai-corporate-governance-manual/	
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 Risk Officer of TSPI NGO also handles TSPI MBAI.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	The Risk Officer has 6 years of internal audit experience and with Masters in Business Administration (MBA)	
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	COMPLIANT	Basic rights of a member are clearly indicated on the Corporate	

shareholder rights are disclosed in the Manual on Corporate Governance.		<p>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.</p> <p>Corporate Governance Manual V. Members G. Rights of a Member page 15-16</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>Corporate Governance Manual V. Members G. Rights of a Member page 15-16</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
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 MBI 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 page.</p> <p>Said notices must be sent by the Secretary by any formal communication at least thirty (30) days before the date of the AGM.</p> <p>Corporate Governance Manual – VI. Annual General Meeting A. Notice of the Meeting page 17.</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or	COMPLIANT	<p>Corporate Governance Manual – VI. Annual General Meeting F. Result of AGM page 19</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	

Special Shareholders' Meeting publicly available the next working day			
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	https://tspi.org/minutes-of-agm/	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	<p>Corporate Governance Manual</p> <ul style="list-style-type: none"> • IV. Governance Structure B. Advisory Council page 8 • V. Members F. Duties and Responsibilities page 15 • VI Annual General Meeting C. Agenda page 19 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p>Corporate Governance Manual</p> <ul style="list-style-type: none"> • IV. Governance Structure B. Advisory Council page 8 • V. Members F. Duties and Responsibilities page 15 • VI Annual General Meeting C. Agenda page 19 <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
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	COMPLIANT	<p>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.</p> <p>The Association actively involve its stakeholders to its activities harmoniously creating wealth,</p>	

sustainability		<p>growth and sustainability. These activities could be found in its Sambayanihan Program, Mission in Action and TSPI Activities.</p> <p>Corporate Governance Manual VII. Stakeholders pages 19-22</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders	COMPLIANT	<p>The Association is committed to protect the welfare on both internal and external stakeholders by ensuring that business is conducted in a 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>Corporate Governance Manual VII. Stakeholders pages 19-22</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-</p>	

		Employee Discipline rev 2.pdf https://tspi.org/wp-content/uploads/2020/07/Supplier-Accreditation-and-Performance-Evaluation-Policy.pdf	
Recommendation 14.3			
1. The Board adopts a transparent framework and process that allow stakeholders to communicate and to obtain redress for the violations of their rights	COMPLIANT	<p>Corporate Governance Manual VII. Stakeholders pages 19-22</p> <p>TSPI website: https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Employee Discipline rev 2.pdf</p> <p>https://tspi.org/wp-content/uploads/2020/07/Supplier-Accreditation-and-Performance-Evaluation-Policy.pdf</p> <p>TSPI Contact Details https://tspi.org/tspi-mbai-contact-us/</p>	
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 actively. The Association ensures that employees feel valued and actively participate in achieving the Association's objectives.</p> <p>Corporate Governance Manual VII. Stakeholders A. Internal</p>	

		<p>Stakeholders pages 19-21</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>https://tspi.org/tspi-mbai-disclosure-other disclosures/</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>https://tspi.org/tspi-mbai-contact-us/</p>	
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 officers of TSPI and all 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>TSPI MBAI HR Manual – Code of Conduct and Business Ethics and Employee Discipline</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Code-of-Ethics.pdf</p> <p>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) 	

		<ul style="list-style-type: none"> TSPI Facebook Page and FB messenger <p>https://tspi.org/tspi-mbai-contact-us/</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>Corporate Governance Manual VII. Stakeholders A. Internal Stakeholders pages 19-21</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI Webinars and TSPI Activities https://tspi.org/staff/</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 MBI 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 with, and made part of the Association's Code of Conduct and Business Ethics as outlined in the HR Manual. Employees are strongly encouraged to discuss with their immediate supervisors, managers or other appropriate personnel, when in doubt, about the best and ethical course of action in a particular situation.</p> <p>TSPI MBI HR Manual – Whistle Blower</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBI-Whistle-Blower.pdf</p> <p>TSPI Contact Details https://tspi.org/tspi-mbai-contact-us/</p>	
2. Board establishes a suitable framework for whistleblowing that	COMPLIANT	The Whistle Blower Policy allows the employees to have direct access to report to HR Manager –	


allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.		<p>Employee Relation openly, to the Deputy Director of HRMS, and Internal Audit Services confidentially, or anonymously any allegation.</p> <p>Corporate Governance Manual VII. Stakeholders A. Internal Stakeholders pages 19-21</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p> <p>TSPI MBAI HR Manual – Whistle Blower</p> <p>https://tspi.org/wp-content/uploads/2020/07/MBA-Whistle-Blower.pdf</p> <p>TSPI Contact Details https://tspi.org/tspi-mbai-contact-us/</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework	COMPLIANT	<p>Corporate Governance Manual IV. Governance Structure C.3. Governance, Nomination and HR Committee page 9</p> <p>https://tspi.org/tspi-mbai-corporate-governance-manual/</p>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
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 employees to volunteer and experience the joy of serving others</p> <p>Corporate Governance Manual VII. Stakeholders pages 19-22</p>	

		https://tspi.org/tspi-mbai-corporate-governance-manual/ https://tspi.org/sustainability-reports/ https://tspi.org/ <ul style="list-style-type: none"> • Sustainability Reports • Mission In Action • Sambayanihan 	
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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 JUN 16 2021 of 2021.


Ma. Luz A. Planas
CHAIRMAN OF THE BOARD


Atty. Leonarda D. Banasen
CORPORATE SECRETARY

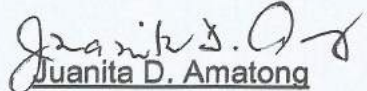

Atty. Cornelio C. Gison
INDEPENDENT DIRECTOR


Rene E. Cristobal
INDEPENDENT DIRECTOR


Alice Z. Cordero
PRESIDENT/CEO


Cecilia D. Ceñidoza
COMPLIANCE OFFICER


Florencia G. Tarriela
INDEPENDENT DIRECTOR


Juanita D. Amatong
INDEPENDENT DIRECTOR

SUBSCRIBED AND SWORN to before me this JUN 16 2021 day of _____, 20____, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. MA. LUZ A. PLANAS	SCA 2620957	June 15, 2004/Paranaque
2. ATTY. CORNELIO C. GISON	OSCA 21058	May 14, 2014/Alabang Munt.
3. FLORENCIA G. TARRIELA	P3341932A	June 9, 2017/DFA Manila
4. RENE E. CRISTOBAL	OSCA 2758219	Sept 1997/Makati
5. ALICE Z. CORDERO	DL NO2-95-274381	Feb 8, 2024 (expiry)
6. ATTY. LEONARDA D. BANASEN	DL 10-94-101543	Nov 11, 2023 (expiry)
7. JUANITA D. AMATONG	OSCA 2251867	Dec 12, 2003/Quezon City
8. CECILIA D. CEÑIDOZA	TIN 307819747	Aug 9, 2012/Binangonan Rizal

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Series of 20 21 .


ATTY. JUANCHO DAVID R. TABLANG

Notary Public for Makati City
Commission No. M-163 until June 30, 2021
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IBP No. 143068 ; 01/07/2021 / Makati City
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