

	Compliant/ Non-Compliant	Additional Information	Reference/Explanation
THE BOARD GOVERNANCE RESPONSIBILITIES			
Principle 1. The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board composed of directors with collective working knowledge, experience, or expertise that is relevant to the company's industry/sector.	Compliant	<p>The Association's Board of Trustees consists of individuals with varied educational backgrounds, professional experience, and areas of expertise. Each Trustee is elected following the qualifications prescribed by the Insurance Commission, which include, among others, integrity, competence, independence, leadership, and relevant experience.</p> <p>Link:</p> <p><a href="#">Board of Trustees' Profile</a></p>	
2. The board has an appropriate mix of competence and expertise.	Compliant	<p>To ensure diversity, the Board has established the necessary qualifications for trustees.</p> <p>Link:</p> <p><a href="#">Board of Trustees' Profile</a></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 qualifications of the trustees nominated to the Board were duly assessed and evaluated by the Nominations Committee. Following the General Assembly held on May 17, 2025, the Board proceeded with the restructuring of all its committees.</p> <p>Link:</p> <p><a href="#">Board of Trustees' Profile</a></p> <p><a href="#">Board Committees</a></p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>This year, the MBC-MBA Board is composed of seven (7) non-executive trustees, three of whom serve as independent members.</p> <p>Link:</p> <p><a href="#">Board of Trustees' Profile</a></p>	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on the training of directors.	Compliant	<p>The trustees and officers shall be given training in the form of (i) in-house lectures; and (ii) seminars, study tours, workshops, and conferences.</p> <p>Link:</p> <p><a href="#">Corporate Governance Page 35 Part XV (Development Program)</a></p> <p><a href="#">Board of Trustees' Profile</a></p>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first-time directors.	Compliant	<p>The newly elected Board of Trustees is mandated to complete the Corporate Governance Training facilitated by the Insurance Commission through MiMAP and must undergo an orientation program within three months from the date of their election.</p> <p>Link:</p> <p><a href="#">Corporate Governance Page 6 (Orientation of new trustees)</a></p>	
3. Company has relevant annual continuing training for all directors	Compliant	<p>As part of their continuing education, the trustees participated in various training programs, conferences, and forums facilitated by MiMAP, the Association's designated training provider.</p> <p>Link:</p> <p><a href="#">Corporate Governance Page 35 Part XV (Development Program)</a></p> <p><a href="#">Board of Trustees' Profile</a></p>	
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	<p>The Board is committed to adopting a policy on board diversity within the year, which will be incorporated into the Corporate Governance Manual.</p> <p>Link:</p> <p><a href="#">Corporate Governance Pages 7 to 8 Part V (Board Diversity Policy)</a></p>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	Compliant		

2. Corporate Secretary is a separate individual from the Compliance Officer	Compliant	The Association’s Corporate Secretary is Ethel S. Lovitos. She does not serve as the Compliance Officer and is not a member of the Board of Trustees.  Link: <a href="#">Corporate Secretary's Profile</a> <a href="#">Board of Trustees' Profile</a>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Secretary has completed the Governance and AMLA Training facilitated by the Insurance Commission and MiMAP. However, the association is unable to locate the invitation letter detailing the training topics.  Link: <a href="#">Corporate Secretary's Training Certificate</a>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	Compliant	The Association’s Compliance Officer is Linda Grace B. Arevalo, who holds the position of General Manager. Although her corporate rank is below that of a Vice-President, she reports directly to the Board through the Corporate Governance Committee. She is authorized to review, evaluate, and approve business policies and initiatives to ensure compliance with regulatory requirements.  Link: <a href="#">Compliance Officer's Profile</a>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	Compliant		
3. Compliance Officer is not a member of the board	Compliant	Linda Grace B. Arevalo, the Association’s Compliance Officer, is not a member of the Board of Trustees. Functionally, she reports to the Board’s Corporate Governance Committee, while administratively, she reports to the President.  Link: <a href="#">Trustees' Profile</a>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	The Compliance Officer is mandated to participate in a continuous corporate governance training program. Linda Grace B. Arevalo fulfilled this requirement by attending the Corporate Governance Training on November 12–13, 2009, and subsequently updating it on May 18–20, 2022.	
Principle 2. The fiduciary roles, responsibilities, and accountabilities of the Board as provided under the law, the company’s articles and bylaws, and other legal pronouncements and guidelines should be 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	The Trustees of PBC-MBA are expected to make decisions with full knowledge, in good faith, and with due diligence, always prioritizing the best interest of the Association. To support this, relevant materials for Board meetings are provided at least five (5) business days in advance. Minutes are prepared following each meeting, and the outcomes are published on the Association’s official website.  Link: <a href="#">Minutes of the Regular Meetings 2024</a>	
Recommendation 2.2			
1. Board oversees the development, review, and approval of the company's business objectives and strategy.	Compliant	In September 2022, MiMAP (RIMANSI) assisted PBC-MBA in formulating its strategic plan. This plan has since been subject to annual review by both the Board and Management.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy to sustain the company's long-term viability and strength.	Compliant		
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	The Board is led by a capable and well-qualified President.  <a href="#">Board of Trustees' Profile</a>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	The Association has established a succession plan to support its sustainability, growth, and organizational resilience.  <a href="#">Succession Plan Policy</a>	
2. Board adopts a policy on the retirement of directors and key officers.	Compliant	The Association has not formulated a retirement policy, as no individual may serve on the Board of Trustees for more than two (2) consecutive terms.	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Members of the Board do not receive a salary; however, they are entitled to gratuity, per diem, and reimbursement for all necessary expenses incurred in connection with their attendance.	

2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Compliant	All benefits and emoluments shall be granted only upon the approval of the majority of the general membership. Link: <a href="#">Corporate Governance Page 35 Part XV (Allowances/ Remunerations/Benefits)</a>	
3. Directors do not participate in discussions or deliberations involving his/her remuneration.	Compliant		
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The Association’s Nomination Rules incorporate the nomination and election policy outlined in Article 6 of its By-laws. Link: <a href="#">Corporate Governance Page 14 to 15 (Corporate Governance Committee)</a>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy include how the company accepts nominations from minority shareholders.	Compliant	Link: <a href="#">Corporate Governance Page 14 to 15 (Corporate Governance Committee)</a>	
4. Board nomination and election policy include how the board reviews nominated candidates.	Compliant		
5. Board nomination and election policy include an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	MBC-MBA operates as a non-stock, non-profit organization; therefore, all members hold equal rights under the Association's rules and regulations. Link: <a href="#">Corporate Governance Page 36 (Voting Rights)</a>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	The role of a Trustee in the Association is one of trust and responsibility. Trustees are therefore chosen based on their integrity, credibility, leadership, and capacity for independent judgment, among other qualities. The Association’s Nominations and Corporate Governance Committees are responsible for assessing these qualities to ensure alignment with the Association's strategic direction. The nomination and election procedures are detailed in the Nominations Rules, which are included in the Association’s Corporate Governance Manual. Link: <a href="#">Corporate Governance Page 14 to 15 (Corporate Governance Committee)</a>	
<b>Recommendation 2.7</b>			
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	Link: <a href="#">Corporate Governance Page 11 to 14 (RPT Committee Charter)</a>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Compliant	Link: <a href="#">Corporate Governance Page 11 to 14 (RPT Committee Charter)</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.	Compliant	Link: <a href="#">Corporate Governance Page 11 to 14 (RPT Committee Charter)</a>	
<b>Recommendation 2.8</b>			
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	Given the organization's size, PBC-MBA does not have designated positions for CEO, CRO, COO, or CAE. The current management structure is outlined in the Administrative Manual.	
		<a href="#">Administrative Manual</a>	
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	Given the organization's size, PBC-MBA does not have a CEO, CRO, COO, or CAE; however, it maintains a policy for evaluating management performance.  <a href="#">Administrative manual</a>  <a href="#">Performance Appraisal Report</a>	
<b>Recommendation 2.9</b>			
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	Due to the organization's size, PBC-MBA does not have positions such as CEO, CRO, COO, or CAE; nevertheless, it has established a policy for assessing management performance. <a href="#">Administrative manual</a>	
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		
<b>Recommendation 2.10</b>		<a href="#">Performance Appraisal Report</a>	

1. Board oversees that an appropriate internal control system is in place.	Compliant	Link: <a href="#">INTERNAL CONTROL SYSTEM</a>	
2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members, and shareholders.	Compliant		
3. Board approves the Internal Audit Charter	Non-compliant		The Association plans to establish an Internal Audit Charter within the year.
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	<a href="#">ERM Framework</a>	
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.			
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	Link: <a href="#">Corporate Governance Page 8 Part VI (Duties, Functions and Responsibilities of the Board)</a>  <a href="#">By-Laws Article V Section 1</a>	
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		
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective Board's actions, 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	To support the Board in effectively fulfilling its functions and responsibilities, and to handle specific tasks, the Association's Board of Trustees established four (4) board-level committees, namely:  <a href="#">1.) Audit and Related Party Transactions Committee</a> <a href="#">2.) Corporate Governance Committee</a> <a href="#">3.) Board Risk Oversight Committee</a> <a href="#">4.) Remuneration Committee</a>	
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	The Audit Committee is responsible for overseeing all audit-related matters, including the external audit function and its performance, the accuracy and integrity of the financial statements, and overall accounting processes. Additionally, the Committee supervises senior management activities and the work of the Association's external auditors. It also monitors and assesses the effectiveness of the Association's internal control system. Regarding external auditors, the Committee has the authority to recommend their appointment or dismissal, subject to approval by the members.  Link:  <a href="#">Corporate Governance Page 9 to 10 (Audit Committee Charter)</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	Compliant	The Audit Committee consists of three (3) non-executive trustees, all of whom are independent, in accordance with its charter. The committee members are:  <a href="#">Audit/RPT Committee</a>	
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 any other committee.	Compliant	Link:  <a href="#">Trustees' Profile Board Committees</a>	
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	<p>The Corporate Governance Committee is tasked to assist the Board of Trustees in fulfilling its corporate governance responsibilities by ensuring compliance with the proper observance of corporate governance laws, rules, principles, and best practices.</p> <p>It is primarily responsible for overseeing the implementation of the corporate governance framework, as the need arises, reviewing the said framework to ensure that it remains appropriate.</p> <p>Moreover, it handles the nomination and election process for members of the Board of Trustees and positions requiring appointment by the Board. It also ensures that the members of the Board are provided with a continuing education program and that they carry out the necessary periodic self-assessment.</p>	
2. Corporate Governance Committee is composed of at least three members, the majority of whom should be independent directors.	Compliant	<p>The three (3) members of the Corporate Governance Committee are all Independent Trustees. The members of the Committee are:</p> <p>Zainelio Lazaga (Chairman) Arlene S. Raro Ranil P. Magsalay</p> <p>Link: <a href="#">CG/Election Committee</a></p>	
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	<p>The three (3) members of the Board Risk Oversight Committee are all Independent Trustees. The members of the Committee are:</p> <p>GINANET ABAGON (Chairman) Mr. Zainelio T. Lazaga, CPA Cristina A. Bulaon</p> <p>Link: <a href="#">BOARD RISK OVERSIGHT COMMITTEE</a></p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant		
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience in risk and risk management.	Compliant	<p>Link: <a href="#">BOARD RISK OVERSIGHT COMMITTEE</a></p>	
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	<p>The three (3) members of the Related Party Transactions Committee are all Independent Trustees. The members of the Committee are:</p> <p>Zainelio T. Lazaga, CPA (Chairman) Ms. GINANET L. ABAGON ARLENE S. RARO</p> <p>Link: <a href="#">AUDIT/RPT COMMITTEE</a></p>	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant		
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources, and other relevant information.	Compliant	<p>Each established committee has its own charter to clearly define its roles and responsibilities. Additionally, to ensure an effective Board, these charters serve as the basis for assessing each committee's performance. All charters are fully disclosed on the Association's website.</p> <p>Link:</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>The following are the Association's Committee Charters:</p> <p>1. Audit and RPT Committee Charter 2. Corporate Governance Charter 3. BROC Charter 4. Remuneration Committee Charter</p> <p>Link: <a href="#">Committee Charters</a></p>	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele or videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>The Board actively participated in Board Meetings as required in the Association's By-laws.</p> <p>Link: <a href="#">By-laws Page 7 Art. IX Sec. 2</a> <a href="#">Board Meeting Attendance</a> <a href="#">Committee Meeting Minutes</a></p>	

2. The director's review meeting materials for all Board and Committee meetings.	Compliant	<p>The members of the Board are provided with materials within five (5) days before the Board, Committee, and shareholders' meeting:</p> <p>Link: <a href="#">By-laws Page 2 Art. 4 Sec. 3 Page 1</a></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>The Board’s discussions on issues, proposals, and initiatives presented by management are documented in the meeting minutes. When needed, Board members request clarifications or explanations during meetings to reach well-informed decisions.</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>No members of the Board are serving as directors to a maximum of five (5) Insurance Commission Regulated Entities. However, the Board may adopt guidelines on the number of directorships that its members can hold in other corporations/associations.</p> <p>Link: <a href="#">Trustees' Profile</a> And <a href="#">Corporate Governance Manual Page 5 (Multiple Board Seats)</a></p>	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	<p>Link: <a href="#">Certificate of Incumbency</a></p>	
Principle 5: The Board should endeavor to exercise an objective and independent judgment on a corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors	Compliant	<p>The Association's Board of Trustees consists of seven (7) members whom three (3) are independent trustees.</p> <p>Link: <a href="#">Trustees' Profile</a></p>	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	<p>Each of the Independent Trustees nominated by the Nomination and Election Committee during the Annual General Assembly certified that he/ she possesses all the qualifications and none of the disqualifications, as contained in the Corporate Governance.</p> <p><a href="#">Independent Trustee</a></p>	
Recommendation 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For the 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>	Compliant	<p>Link: <a href="#">Independent Trustee</a></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Each member of the Board has a term of three (3) years, and no member shall serve for more than two (2) consecutive terms.</p> <p>Link: <a href="#">By-laws Article 5 Section 6 Page 5</a></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 seeks shareholders approval during the annual shareholders' meeting.	Compliant	<p>The Association does not retain any independent trustee beyond the nine (9) year term limit.</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	Compliant	<p>The association does not have a Chief Executive Officer; it is led solely by a President of the Board.</p> <p>Link: <a href="#">Board of Trustees Profile</a></p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Link: <a href="#">Responsibilities of the President, Article XI, Section 1 of the By-Laws</a></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	<p>The Association’s President is not classified as an independent trustee. Additionally, the Association does not have a Chief Executive Officer.</p>	
Recommendation 5.6			

1. Directors with a material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	The Association maintains a policy on abstention. Nonetheless, no trustee currently holds a material interest in any transaction impacting the corporation.	
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	Committee Meeting Minutes	
2. The meetings are chaired by the lead of the independent director.	Compliant		
Principle 6: The best measure of the Board's effectiveness 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	The Association is dedicated to adhering to the evaluation and assessment tool, which will be applied to the current Board of Trustees.  Assessment Tool	
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.	Compliant		
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria, and processes to determine the performance of the Board, individual directors, and committees.	Compliant	Assessment Tool	
2. The system allows for a feedback mechanism from the shareholders	Compliant		
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 provides standards for professional and ethical behavior, as well as articulates acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Association's core values serve as the foundation for its Code of Ethics, which applies to both the Board of Trustees and employees. The Board leads the Association's commitment to uphold ethical business conduct, embodying the principles of integrity, fairness, accountability, and transparency. Link: Corporate Governance Manual Page 32 to 35 Part XIV (Code of Ethics)  The Board's Code of Ethics is included in the orientation program for newly elected Board members. The Human Resource Officer ensures the dissemination of the Code of Conduct to all personnel, including new hires. New employees receive a comprehensive briefing on the Code of Conduct to promote cultural awareness of the Association's core values. This discussion covers expected behavioral standards, business practices, and the sanctions applicable for any violations of the code.	
2. The Code is properly disseminated to the Board, senior management, and employees.	Compliant		
3. The Code is disclosed and made available to the public through the company website.	Compliant		
Recommendation 7.2			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Board mandates strict adherence to the Code of Ethics. In coordination with the HR Officer and the Compliance Officer, the Board ensures that every employee is informed of and committed to upholding the Code. To reinforce compliance, all new employees receive a copy of the Code of Ethics and participate in an orientation where the Code is thoroughly explained.  The Association enforces the Code of Ethics through a comprehensive disciplinary program, whereby any confirmed violations or infractions by employees are addressed in accordance with the provisions of the Code.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The Board, through Management, has established effective control mechanisms to ensure the proper implementation and compliance with all Association policies and regulations. Moreover, any employee found violating the Code of Ethics will be subject to disciplinary action by the Association.  Link: Corporate Governance Manual Page 32 to 35 Part XIV (Code of Ethics)	
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. The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results, and business operations.	Compliant	<p>The Association recognizes that timely disclosure of relevant information to its stakeholders is essential for informed decision-making. Such information is promptly made available on the Association's website.</p> <p>Link: <a href="#">Corporate Governance Manual Page 36 (Power of Inspection and Right to Information)</a></p>	
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	<p>All pertinent information about the Association and its key officers is accessible on the website.</p> <p>Link:  <a href="#">Board of Trustees' Profile</a></p>	
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		
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	<p>Board members receive a per diem of P500.00 and are reimbursed for necessary expenses incurred during each Board or Board Committee meeting.</p> <p><a href="#">Corporate Governance Manual Page 35 Part XV (Allowances/Remunerations and Benefits)</a></p>	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with the ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	<p>The Association's remuneration procedure is founded on principles of fairness, transparency, and performance-based evaluation. Its general policy aims to offer employees a fair and competitive salary and benefits that correspond to their experience, responsibilities, job grade, or corporate rank, and position.</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Board members receive a per diem of P500.00 and are reimbursed for any necessary expenses incurred during each Board or Board Committee meeting.</p> <p>Link: <a href="#">Corporate Governance Page 35 Part XV (Allowances/Remunerations and Benefits)</a></p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>The Association maintains an abstention policy. However, currently, no trustee has a conflict of interest concerning related party transactions that affect the corporation.</p> <p><a href="#">Corporate Governance Manual Page 12 to 14 (RPT Committee Charter)</a></p>	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by a majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	<p>A summary of the Material Related Party Transactions and outstanding borrowed funds is disclosed in the 2024 Financial Statement.</p> <p>Link: <a href="#">RPT REPORT AS OF DECEMBER 2024</a></p>	
Recommendation 8.6			
1. Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p>Link: <a href="#">Corporate Governance Manual</a></p>	
2. The 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 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	<p>The Audit Committee is composed of three (3) members, all of whom are Independent Trustees. The members are:</p> <p>Zanelio T. Lazaga, CPA (Chairman) Ms. Ginanet L. Abagon Arlene S. Raro Link:</p> <p><a href="#">Corporate Governance Manual Page 9 to 11 (Audit Committee Charter)</a></p>	
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	<p>The Board reappointed the external auditor, and this appointment was ratified by the shareholders with 56% of the votes during the recent Annual General Assembly.</p> <p><a href="#">General Assembly 2025 Minutes</a></p>	
3. For the 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	Link: <a href="#">Corporate Governance Manual Page 9 to 11 (Audit Committee Charter)</a>	
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 Association has not engaged the external auditor to perform any non-audit services.	
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	Link:  <a href="#">Corporate Governance Manual Page 9 to 10 (Non-Audit Services Policy)</a>	
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	MBC-MBA holds that the true measure of success lies in effectively fulfilling its responsibilities to its various stakeholders.  Link : <a href="#">Corporate Governance Manual, Pages 27 to 29 PART XII (STAKEHOLDERS)</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<a href="#">Annual Report 2025</a>	
3. The Company recognizes the need for financial resilience towards natural disasters to hasten the recovery of communities after a devastating loss and has participated in the Philippine Catastrophe Insurance Facility	Compliant	MBC-MBA, together with other MBAs in the RIMANSI Network, is collaborating with a private provider to obtain catastrophic reinsurance coverage.  <a href="#">RIMANSI Life CAT XOL Treaty</a>	
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	To maintain and ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public, the association has its website.  <a href="#">MBC-MBA Website</a>	
INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK			
Principle 12: To ensure integrity, transparency, and proper governance in the conduct of its affairs, the company should control the system and enterprise risk management framework, 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	The Association currently does not have an internal audit charter but maintains an internal control procedure. The Board will periodically update this internal control procedure as necessary or when the need arises.  <a href="#">Internal Control Procedure</a>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Given the Association's business scope, size, risk profile, and operational complexity, the General Manager is responsible for overseeing daily operations.  While the Association does not have an Enterprise Risk Management framework, it has established a charter for the Board Risk Oversight Committee, which is tasked with overseeing and approving the Association's overall risk management practices.  <a href="#">Charter of the Board Risk Oversight Committee</a>	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Non-compliant		The Association previously outsourced its internal audit function to its parent institution, The Peoples Bank of Caraga, Inc. However, following a management change at PBCI, the Board and Management of MBC-MBA are now exploring alternative options for outsourcing to other internal audit firms.
Recommendation 12.3			

1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	Compliant	Given the Association's business nature, size, risk profile, and operational complexity, the Board established an Audit Committee led by a qualified Independent Trustee.  <a href="#">Audit and RPT Committee</a>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.			
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.			
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<a href="#">ERM-framework</a>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<a href="#">ERM-framework</a>	
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.			
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	Link:  <a href="#">Corporate Governance Manual Page 36 to 37 PART XVI (DUTIES, RESPONSIBILITIES, AND RIGHTS OF THE MEMBERS)</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant		
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	The notice for the 2025 Annual General Meeting was issued on April 21, 2025, through the association's website, and an advisory was served to the members. partners' offices, which is more than 21 days before the 17th of May 2025, the actual members' meeting.  Link:  <a href="#">Notice of Meeting</a>	
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	The 2025 Annual General Meeting was held on May 17, 2025. Voting results during the AGM were disclosed on the same day.  Link:  <a href="#">Annual General Meeting 2025 Minutes</a>	
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	The 2025 Annual General Meeting was held on May 17, 2025. The minutes of the AGM were posted on the Association's website on May 21, 2025, which is within five business days from the end of the meeting.  The votes on each agenda item are reflected in the minutes of the meeting, including all the questions asked and the replies thereto.  Link:  <a href="#">Annual General Meeting 2025 Minutes</a>	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Non-compliant		The Association does not have an alternative dispute resolution system in place, but appointed Ms. Jeirllyn T. Coquilla as Customer Assistance Officer (CAO), who is assigned to address the members' concerns, which will be brought up to the management or, at most, to the board.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant		The Association plans to adopt alternative dispute resolution procedures, which will be incorporated into the Corporate Governance Manual within the year.
DUTIES TO STAKEHOLDERS			
Principle 14: The right of the stakeholders established by law, by contractual relations, and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	Compliant	Link:  <a href="#">Corporate Governance Manual Page 27 to 30 PART XII (STAKEHOLDERS)</a>	
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 treats its stakeholders fairly and ensures their protection.</p> <p>Link: <a href="#">Corporate Governance Manual Page 30 to 32 PART XIII (FEEDBACK AND GRIEVANCE POLICY FOR STAKEHOLDERS)</a></p>	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>The Board authorized the General Manager as the association's representative.</p> <p>LINDA GRACE B. AREVALO lgb_ruduram@yahoo.com +63930-522-9700</p> <p>The Association has a whistleblower policy as a guide to stakeholders in reporting suspected violations, misconduct, concerns, and controversies related to the Association or its stakeholders.</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 its governance.	Compliant	<p>MBC-MBA shall continue to make planned efforts to facilitate the learning of job-related behavior of its stakeholders' current and future roles and responsibilities aligned with the Association's goals and direction.</p> <p>The employees shall be given pieces of training in the form of (i) On job training or coaching; (ii) in-house lectures; and (iii) local courses, seminars, study tours, workshops, and conferences.</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>Link: <a href="#">Corporate Governance Manual Page 33 to 34 (4. Conflict of Interest)</a></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>The Board designates the General Manager to disseminate the Code of Conduct to all personnel, including newly hired personnel.</p> <p>A complete discussion on the Code is conducted with new employees of the Association to foster a culture of awareness of the Association's core values.</p>	
Recommendation 15.3			
1. Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	<p>The Association does not and will not tolerate unethical or illegal conduct, thus a Whistleblowing Mechanism was established to ensure that employees, customers, and other stakeholders will have a way to report questionable activity, unethical conduct, fraud, or any other malpractice by mail, phone or email, under the uncompromising measures of confidentiality and anonymity to alleviate fears of counterattack or retaliation.</p> <p>Link: <a href="#">Corporate Governance Manual Page 30 to 32 (Whistleblower Policy)</a></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>Reports can be disclosed to any officer of the Association or directly to the HR Officer. The Compliance Officer/General Manager determines the substance and validity of all whistleblower reports. If the report is deemed well-substantiated, the Compliance Officer turns over the disclosure to the Audit Committee and/or HR Officer for further investigations.</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework	Compliant	<p>The Board designates the General Manager to ensure the enforcement of the whistleblowing framework. The Association does not have any reported incidents of whistleblowing.</p>	
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>The Association is committed to managing its operations responsibly and running the business in a way that supports the protection of the environment. The Association conducts a yearly Tree Planting Activity among its employees together with other private or public offices within the community.</p> <p>Link: <a href="#">Corporate Governance Manual Page 39 PART XXI SUSTAINABILITY AND SOCIAL RESPONSIBILITY</a></p>	

CSR programs can include scholarships, relief ops, free insurance coverage, etc.  
CSR are benefits and services provided to members outside of the benefit package of the MBA IRR.  
Can include as well mass wedding, birth registration services, medical mission, etc.  
Explanation, plan of action and timeline po for 4th column  
No need to submit AGCS