



27 June 2024

**HON. ATTY. REYNALDO A. REGALADO**  
Insurance Commissioner  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila 1000

Thru: Corporate Governance Unit  
AMLCGD Division

**Re: Annual Corporate Governance Report 2023**

Dear Hon. Regalado:

We hereby submit the Annual Corporate Governance Report 2023 of Mindanao Educators Mutual Benefit Association, Inc. In compliance with Circular Letter 2020-72.

Attached herewith are the following documents:

1. 2 copies of Annual Corporate Governance Report;
2. 2 copies of Manual on Corporate Governance; and
3. 2 copies of Certification.

Should you have further queries, please do not hesitate to call on the undersigned.

Thank you.



Enrico D. Cleofas  
Insurance Commission - Admin.  
Records - Receiving


Sincerely yours,

**JUAN ANDRE R. LACSON**  
President

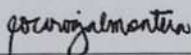
**CERTIFICATION**

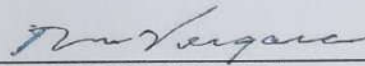
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

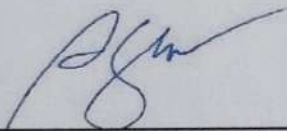
Signed in the City of CITY OF MANILA on the JUN 27 2024 of \_\_\_\_\_ 2024.

  
\_\_\_\_\_  
JUAN ANDRE TERENCE R. LACSON  
CHAIRMAN OF THE BOARD/PRESIDENT

  
\_\_\_\_\_  
MARLON H. MONTERA  
CORPORATE SECRETARY

  
\_\_\_\_\_  
ELVIRA C. MONTERA  
COMPLIANCE OFFICER

  
\_\_\_\_\_  
REYNALDO M. VERGARA  
INDEPENDENT DIRECTOR


  
\_\_\_\_\_  
ROMELITO G. FLORES  
INDEPENDENT AUDITOR

JUN 27 2024

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

Name	ID	Date/Place Issued
1. Juan Andre Terence R. Lacson	SSS ID 33-4859997-9	
2. Marlon H. Montera	SSS ID 09-2283088-2	
3. Elvira C. Montera	SSS ID 09-2211068-3	
4. Reynaldo M. Vergara		
5. Romelito G. Flores		

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PAGE No. 17  
BOOK No. 287M  
SERIES OF \_\_\_\_\_

  
ATTY. PETER ANTHONY T. MALLARI  
Notary Public until December 31, 2024  
Notarial Commission # 2023-210  
1155 Gen. Luna St., Ermita Manila  
IBP # 317318, Roll# 77587 TIN: 133-031-552  
PTR# 1527774 / 1-02-2024 Mla. 1-3-2024  
MCLE VIII# 0002695

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
MINDANAO EDUCATORS MUTUAL BENEFIT ASSOCIATION, INC.**

1. For the fiscal year ended 2023
2. Certificate Authority Number 2022-10-R
3. Zamboanga del Sur, Zamboanga del Norte, Zamboanga Sibugay, Lanao del Norte, Misamis Occidental, Misamis Oriental, Bukidnon, Camiguin, Davao del Sur, Davao del Norte, Davao Occidental, Davao de Oro, Davao Oriental, North Cotabato, South Cotabato, Sarangani Province, Sultan Kudarat, Agusan del Norte, Agusan del Sur, Surigao del Sur, Surigao del Norte, NCR

Province, Country or other jurisdiction of incorporation or organization

4. Laiz Building, Narangita St., Corner Casquejo St., General Santos City 9500, South Cotabato  
Address of principal office Postal Code
5. 083.500.3576  
Company's telephone number, including area code
6. www.memba.com.ph  
Company's official website
7. N/A  
Former address

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NONCOMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance The members of the Board of Trustees are elected from general membership coming from the different regions where the association operates. The educational background, professional experiences and expertise of the Board of Trustees can be seen in their respective biographical data.  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata">http://memba.com.ph/corporategovernance2023/biographical data</a>  The qualifications are stated in the Association's Manual on Corporate Governance Section III A.2 and By- Laws Article II Section 2.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>  <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a>	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>		
<b>Recommendation 1.2</b>			

1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	Identify or provide link/reference to a document identifying the directors and the type of their directorships.  <a href="http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	<b>COMPLIANT</b>	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.  As required the members of the board, especially the newly elected shall undergo training on Anti-Money Laundering Act and Good Governance. The Association's Manual on Corporate Governance serves as the Board Charter as well. Trainings and development for the board is stated in Section VI of the Manual on Corporate Governance.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.  Orientation of program for the trustees is stated in Section VI of Manual on Corporate Governance.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	

3. Company has relevant annual continuing training for all directors.	<b>NON-COMPLIANT</b>		For the year 2023 no Corporate Governance training has been attended due to an availability of schedules.
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>COMPLIANT</b>	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.</p> <p>Diversity of the board is stated in the Manual on Corporate Governance Section III A.7.</p> <p><a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a></p>	
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	<b>COMPLIANT</b>	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p>The name of the Corporate Secretary can be seen in the list of board of trustees and officers. <a href="http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a></p> <p>Information on the Corporate Secretary can be found in her biographical data sheet. <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/corporatesecretary">http://memba.com.ph/corporategovernance2023/biographicaldata/corporatesecretary</a></p> <p>Qualifications, duties and responsibilities of the Corporate Secretary can be seen in the Manual on</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>COMPLIANT</b>		
3. Corporate Secretary is not a member of the Board of Directors.	<b>COMPLIANT</b>		



		Corporate Governance Section IIIB.3 and By-Laws Article III Sec.8.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>  <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a>	
4. Corporate Secretary attends training/s on corporate governance.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	For the year 2023 no Corporate Governance training has been attended.
<b>Recommendation 1.6</b>			
1. Board is assisted by Compliance Officer	<b>COMPLIANT</b>	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.  The name of the Compliance Officer can be seen in the list of board of trustees and officers. <a href="http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a>  Information on the Compliance Officer can be found in her biographical data sheet. <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/complianceofficer">http://memba.com.ph/corporategovernance2023/biographicaldata/complianceofficer</a>  Qualifications, duties and responsibilities of the Compliance Officer can be seen in the Manual on Corporate Governance Section VIII-3. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>COMPLIANT</b>		
3. Compliance Officer is not a member of the board.	<b>COMPLIANT</b>		
4. Compliance Officer attends training/s on corporate governance annually.	<b>NON-COMPLIANT</b>		For the year 2021 no Corporate Governance training has been attended.
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made know to all directors as well as to stockholders and other stakeholders.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due	<b>COMPLIANT</b>	Provide information or reference to a document containing information on how	

diligence and care, and in the best interest of the company.		<p>the directors performed their duties (can include board resolutions, minutes of meeting).</p> <p>Board of Trustees duties and responsibilities are stated in the Manual on Corporate Governance Section III-5 and By-Laws Article III and Article VIII.</p> <p><a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a></p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>COMPLIANT</b>	Provide information or reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
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.	<b>COMPLIANT</b>	<p>The roles and responsibilities of the board and officers are stated in the By-Laws of the Association, Article II and Article III and Article VIII.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	<b>COMPLIANT</b>	<p>Provide information on or link/reference to a document containing information on the Chairperson, including his/her name, qualifications.</p> <p>Information on the Chairperson can be found in his biographical data sheet (Mr. Juan Andre Terence R. Lacson).</p> <p><a href="http://memba.com.ph/corporategovernance2023/biographicaldata/chairman">http://memba.com.ph/corporategovernance2023/biographicaldata/chairman</a></p>	
<b>Recommendation 2.4</b>			



1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	<b>NON-COMPLIANT</b>	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	The information on retirement and succession planning will be discussed by the management together with the legal counsel on how to move with this.
2. Board adopts a policy on the retirement for directors and key officers.	<b>NON-COMPLIANT</b>		The information on retirement and succession planning will be discussed by the management together with the legal counsel on how to move with this.
<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	<b>NON-COMPLIANT</b>	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	The information specifying the relationship between remuneration and performance of key officers and board members will be discussed by the management on how to move with this.
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>NON-COMPLIANT</b>		The information on the remuneration of key officers and board members will be discussed by the management on how to move with this.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>	<p>As stated in the association By-Laws Article II, Section 9 the board of trustees shall not receive any salary, compensation, emolument or remuneration.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p> <p>As stated in association's By-Laws Article IX, Section 4, it is the responsibility of the remuneration committee to set remuneration for all members of the board,</p>	

		officers, and employees. <a href="http://membam.com.ph/corporategovernance2023/amendedbylaws">http://membam.com.ph/corporategovernance2023/amendedbylaws</a>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>COMPLIANT</b>	Provide information or reference to a document containing information to the company's nomination and election policy and process and its implementation, including criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.  Provide proof if minority shareholders have a right to nominate candidates to the board.  Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.  Information on the association's nomination and election policy and process and its implementation can be found in the Amended By-Laws of the Association Article IX Section 1 and Section 2 and manual on corporate governance section IV-1, IV-2.  <a href="http://membam.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://membam.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>  <a href="http://membam.com.ph/corporategovernance2023/amendedbylaws">http://membam.com.ph/corporategovernance2023/amendedbylaws</a>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	<b>COMPLIANT</b>		
4. Board nomination and election policy includes how the board reviews nominated candidates	<b>COMPLIANT</b>		
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.	<b>COMPLIANT</b>		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>COMPLIANT</b>		
<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.	<b>NON-COMPLIANT</b>	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.  Identify transactions that were approved pursuant to the policy.	The association still has to make amendments and additions to the current policies. The policy on RPTs shall be established and applied by the association as soon as it is approved.

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>NON-COMPLIANT</b>		The association still has to make amendments and additions to the current policies. The policy on RPTs shall be established and applied by the association.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>NON-COMPLIANT</b>		The association still has to make amendments and additions to the current policies. The
<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).	<b>COMPLIANT</b>	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.  Identify the Management team appointed.  As stated in the By-Laws Article III Section 1 and section 3, the association shall also have at the discretion of the Board of Trustees, such other executive officers as it shall deem necessary.	
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).	<b>COMPLIANT</b>	<a href="http://membam.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://membam.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a>  <a href="http://membam.com.ph/corporategovernance2023/amendedbylaws">http://membam.com.ph/corporategovernance2023/amendedbylaws</a>  <a href="http://membam.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://membam.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer	<b>NON-COMPLIANT</b>	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The association conducts semi annual performance evaluation for all regular employees

performance is at par with the standards set by the Board and Senior Management.			but does not include the CEO.
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.	<b>NON-COMPLIANT</b>		The association conducts semi annual performance evaluation for all regular employees.
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>COMPLIANT</b>	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>COMPLIANT</b>	As stated in the association's By-Laws, Article IX section 3, it is the board audit committee that shall provide oversight of the association internal control system.  <a href="http://memb.com.ph/corporategovernance2023/amendedbylaws">http://memb.com.ph/corporategovernance2023/amendedbylaws</a>	
3. Board approves the Internal Audit Charter.	<b>NON-COMPLIANT</b>		The duties and responsibilities of the internal audit can be seen in the manual on corporate governance but internal audit charter is still on the works and shall be presented for approval.
<b>Recommendation 2.11</b>			
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.	<b>NON-COMPLIANT</b>	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.  Provide proof of effectiveness of risk	As of the moment the association does not have an enterprise risk management due to the limited scope of transactions. The transactions/members of

		management strategies, if any.	the association are from DepEd and works closely with the department through the Automatic Payroll Deduction System.
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.	<b>NON-COMPLIANT</b>		As of the moment the association does not have an enterprise risk management due to the limited scope of transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	<b>COMPLIANT</b>	Provide link to the company's website where the Board Charter is disclosed	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>COMPLIANT</b>	The Manual on Corporate Governance also serves as the Board Charter of the Association in carrying out its duties and responsibilities. The duties and responsibilities can be found in section III-5 and III-6 of the manual on corporate governance.	
3. Board Charter is publicly available and posted on the company's website.	<b>COMPLIANT</b>	<a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
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.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on all the board committees established by the company.	

roles and responsibilities.		<p>Under article IX of the By-Laws of the association the Board may discharge any of its responsibilities through Board Committees.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>	
<b>Recommendation 3.2</b>			
<p>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.</p>	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p>As stated in the association's By-Laws, Article IX section 3, it is the board audit committee that shall provide oversight of the association internal control system.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p> <p><a href="http://memba.com.ph/corporategovernance2023/listofboardofftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardofftrustees&amp;officers.pdf</a></p>	
<p>3. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<b>NON-COMPLIANT</b>		<p>The Association's Audit Committee is composed of 3 non-executive trustees, but the chairman is not an independent trustee</p>
<p>3. All the members of the committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.</p>	<b>NON-COMPLIANT</b>		<p>The chairman of the committee and members has acquired relevant background on the operation of the</p>

			association.
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	<b>COMPLIANT</b>	<a href="http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a>	
<b>Recommendation 3.3</b>			
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.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the Corporate Governance Committee, including its functions.  Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	The association still maintains the Nomination and Remuneration committees. The association is still on the process of establishing the Corporate Governance Committee.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	<b>NON-COMPLIANT</b>		The association still maintains the Nomination and Remuneration committees. The association is still on the process of establishing the Corporate Governance Committee.
3. Chairman of the Corporate Governance Committee is an independent director.	<b>NON-COMPLIANT</b>		The association still maintains the Nomination and Remuneration committees. The association is still on the process of establishing the Corporate Governance Committee.
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.	As of the moment the association does not have an enterprise risk management due to the



company's Enterprise Risk Management system to ensure its functionality and effectiveness.			limited scope of transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the members of the BROC, including its their qualifications and type of directorship.	As of the moment the association does not have an enterprise risk management due to the limited scope of transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the Chairman of the BROC.	As of the moment the association does not have an enterprise risk management due to the limited scope of transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	As of the moment the association does not have an enterprise risk management due to the limited scope of

			transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT), including its functions.	The association still has to make amendments and additions to the current policies. The policy on RPTs shall be established and applied by the association.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the members of the RPT Committee, including its their qualifications and type of directorship.	The association still has to make amendments and additions to the current policies. The policy on RPTs shall be established and applied by the association.
<b>Recommendation 3.6</b>			
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.	<b>NON-COMPLIANT</b>	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	As of the moment the association is still on work in progress with the committee charters. The audit committee charter has been drafted and will be presented for approval.
2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>NON-COMPLIANT</b>		As of the moment the association is still on work in progress with the committee charters.
3. Committee Charters were fully disclosed on the company's website.	<b>NON-COMPLIANT</b>		As of the moment the association is still on

			work in progress with the committee charters.
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.			
<b>Recommendation 4.1</b>			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders' in person or through tele /videoconferencing conducted in accordance with the rules and regulations of the Commission.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to	
2. The directors review meeting materials for all Board and Committee meetings.	<b>COMPLIANT</b>	<a href="http://memba.com.ph/corporategovernance2023/minutesofmeeting.pdf">http://memba.com.ph/corporategovernance2023/minutesofmeeting.pdf</a>	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>COMPLIANT</b>		
<b>Recommendation 4.2</b>			
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.	<b>COMPLIANT</b>	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.  Under section V of manual on corporate governance of the association it is stated that the non-executive trustees can concurrently serve as director to a maximum of five ICREs and publicly listed companies.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata">http://memba.com.ph/corporategovernance2023/biographicaldata</a>	

<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<b>NON- COMPLIANT</b>	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	There is no provision in the By-Laws of the association that states or required the nominees to disclose directorship in another company but their affiliation can be found in their respective biographical data. The association shall consider the recommendation of the revised code of corporate governance.
Principle 5 : The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the number of independent directors in the board.  Article II Section 1 of the By-Laws of the Association states the composition of the Board.  <a href="http://membacomph/corporategovernance2023/amendedbylaws">http://membacomph/corporategovernance2023/amendedbylaws</a>  <a href="http://membacomph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://membacomph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the qualifications of the independent directors.  The qualifications of independent trustees can be	

		found in section III-6 of the manual on corporate governance.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years. 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. 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.	<b>COMPLIANT</b>	Provide information or link/reference to a document showing the years IDs have served as such.  The qualifications of independent trustees can be found in section III-6 of the manual on corporate governance.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	Our independent trustees, started serving in 2021.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>COMPLIANT</b>	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director. Manual on Corporate Governance section III-6.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
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 shareholders' approval during	<b>NON-COMPLIANT</b>	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	None of the independent board of trustees exceeded the maximum term limit.

the annual shareholders' meeting.			
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>NON-COMPLIANT</b>	<p>Identify the company's Chairman of the Board and Chief Executive Officer.</p> <p>The Chairman of the Board and the Chief Executive Officer is Mr. Juan Andre Terence R. Lacson.</p> <p><a href="http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf">http://memba.com.ph/corporategovernance2023/listofboardoftrustees&amp;officers.pdf</a></p>	<p>As stated in the Association's By-Laws, Article II Section 1, the Board may combine compatible offices in a single person.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <p>The roles of both the chairman and the president are identified in the By-Laws of the association Article III, Section 4 and Section 6 respectively.</p> <p><a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>	
<b>Recommendation 5.5</b>			
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.	<b>NON-COMPLIANT</b>	<p>Provide information or link/reference to a document containing information on the lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	<p>The association shall make necessary amendment to comply with the recommendation in the revised code of corporate governance.</p>
<b>Recommendation 5.6</b>			

1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	<b>NON-COMPLIANT</b>	Provide proof of abstention, if this was the case.	The association shall make necessary amendment and at the same time establish policy on related party transaction.
<b>Recommendation 5.7</b>			
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.	<b>NON-COMPLIANT</b>	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	The association shall make necessary amendment to include separate schedule of meeting of NEDs to ensure the proper checks and balances.
2. The meetings are chaired by the lead independent director.	<b>NON-COMPLIANT</b>		The association shall make necessary amendment to include recommendation in the revised code of corporate governance.
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.			
<b>Recommendation 6.1</b>			
1. The Board conducts an annual assessment of its performance as a whole.	<b>NON-COMPLIANT</b>	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	The association shall discuss on the process of how to implement assessment of the board and will make necessary amendment.
2. The performance of the Chairman is assessed annually by the Board.	<b>NON-COMPLIANT</b>		The association shall discuss on the process of how to implement assessment of the board and will make necessary amendment.
3. The performance of the individual member of the Board	<b>NON-COMPLIANT</b>		The association shall discuss on the process



is assessed annually by the Board.			of how to implement assessment of the board and will make necessary amendment.
4. The performance of each committee is assessed annually by the Board.	<b>NON-COMPLIANT</b>		The association shall discuss on the process of how to implement assessment of the board and will make necessary amendment.
5. Every three years, the assessments are supported by an external facilitator.	<b>NON-COMPLIANT</b>		The association shall discuss on the process of how to implement assessment of the board and will make necessary amendment.
<b>Recommendation 6.2</b>			
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.	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	Section III, 9 of the manual on corporate governance of the association, states that the board and its officers shall carry out an assessment of its performance.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>
2. The system allows for a feedback mechanism from the shareholders.	<b>NON-COMPLIANT</b>		The association will look into this and shall make necessary changes.
Principle 7 : Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide	<b>NON-COMPLIANT</b>	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	The association is still on the work to put in place

standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.			and formally implement/adopt a Code of Business Conduct and Ethics.
2. The Code is properly disseminated to the Board, senior management and employees.	<b>NON-COMPLIANT</b>	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The association is still on the work to put in place and formally implement/adopt a Code of Business Conduct and Ethics.
3. The Code is disclosed and made available to the public through the company website.	<b>NON-COMPLIANT</b>	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	The association is still on the work to put in place and formally implement/adopt a Code of Business Conduct and Ethics.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>NON-COMPLIANT</b>	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	The association is still on the work to put in place and formally implement/adopt a Code of Business Conduct and Ethics.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>NON-COMPLIANT</b>	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The association is still on the work to put in place and formally implement/adopt a Code of Business Conduct and Ethics.
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders	<b>COMPLIANT</b>	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	

that gives a fair and complete picture of a company's financial condition, results and business operations.		<a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 8.3</b>			
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.	<b>COMPLIANT</b>	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. <a href="http://memba.com.ph/corporategovernance2023/biographicaldata">http://memba.com.ph/corporategovernance2023/biographicaldata</a>	
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.	<b>COMPLIANT</b>	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.  The necessary information can be found in the biographical data of the trustees and officers  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata">http://memba.com.ph/corporategovernance2023/biographicaldata</a>  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/president">http://memba.com.ph/corporategovernance2023/biographicaldata/president</a>  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/corporatesecretary">http://memba.com.ph/corporategovernance2023/biographicaldata/corporatesecretary</a>  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/treasurer">http://memba.com.ph/corporategovernance2023/biographicaldata/treasurer</a>  <a href="http://memba.com.ph/corporategovernance2023/biographicaldata/complianceofficer">http://memba.com.ph/corporategovernance2023/biographicaldata/complianceofficer</a>	
<b>Recommendation 8.4</b>			

<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</p> <p>As stated in the Association's Amended Articles of Incorporation, Article II section 9: That no part of the income which the association may obtain as an incident to its operation shall be distributed as dividends to its members, trustees or officers subject to the provisions of the Corporation Code on dissolution. Any profit obtained by the association as a result of its operation, whenever necessary or proper shall be used for the furtherance of the purposes enumerated in Second Article, subject to the provision of the Title XI of the Corporation Code of the Philippines.  <a href="http://memba.com.ph/corporategovernance2023/amendedAOI.pdf">http://memba.com.ph/corporategovernance2023/amendedAOI.pdf</a></p> <p>As stated in the association By-Laws Article II, Section 9 the board of trustees shall not receive any salary, compensation, emolument or remuneration.  <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p><b>NON-COMPLIANT</b></p>	<p>Disclose or provide link/reference to the company policy and practice for setting executive remuneration.</p>	<p>The association maintains a salary and benefits structure competitive with the prevailing rates of similar organizations. However, the policies for disclosure and setting executive remuneration are still on work in progress.</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p><b>NON-COMPLIANT</b></p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>With regard to the data privacy and confidentiality of the respective executive,</p>

			remuneration of the individual executive cannot be disclosed.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>NON-COMPLIANT</b>	Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	The association still on the process of working on the disclosure policies and guidelines of RPTs.
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	<b>NON-COMPLIANT</b>	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.	The association still on the process of working on the disclosure policies and guidelines of RPTs.
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>COMPLIANT</b>	Provide link to the company's website where the Manual on Corporate Governance is posted.  <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
2. Company's MCG is posted on its company website.	<b>COMPLIANT</b>		
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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment,	<b>NON-COMPLIANT</b>	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment,	The audit committee does not have a robust process. The association

reappointment, removal. And fees of the external auditors.		removal and fees of the company's external auditor.	still has to polish the process and implement its committee charter once it is approved.
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.	<b>NON-COMPLIANT</b>	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Normally information on the Appointment of External Auditor is stated in the Annual General Meeting Minutes. Since the annual meeting in 2021 was done virtually, it was ratified by the quorum of the AGMM.
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.	<b>NON-COMPLIANT</b>	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	No removal has occurred in the Association.
<b>Recommendation 9.2</b>			
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.	<b>NON-COMPLIANT</b>	Provide link/reference to the company's Audit Committee Charter.	The responsibility of the audit committee is stated in the By-Laws of the Association, article IX section 3. However, the committee is in work in progress with its charter. <a href="http://membacom.ph/corporategovernance2023/amen dedbylaws">http://membacom.ph/corporategovernance2023/amen dedbylaws</a>
2. Audit Committee Charter contains the Committee's responsibility on	<b>NON-COMPLIANT</b>	Provide link/reference to the company's Audit Committee Charter.	The responsibility of the audit committee is stated

reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.			in the By-Laws, article IX section 3, of the Association. However, the committee is in work in progress with its charter. <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a> MCG section IV-3 <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a>
<b>Recommendation 9.3</b>			
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.	<b>COMPLIANT</b>	Disclose the nature of non-audit services performed by the external auditor, if any.	The External Auditor solely does the audit of financial statements of the Association for BIR & SEC.
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.	<b>COMPLIANT</b>	Provide link or reference to guidelines or policies on non-audit services.  The responsibility of the audit committee is stated in the By-Laws of the Association, article IX section 3.  <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a>	
Principle 10 : The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy, on the disclosure of nonfinancial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	<b>NON-COMPLIANT</b>	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The association shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.
2. Company adopts a globally recognized standard/framework	<b>NON-COMPLIANT</b>	Provide link to Sustainability Report, if any. Disclose standards uses.	The association shall adopt a globally



in reporting sustainability and non-financial issues.			recognized standard/ framework in reporting sustainability and non-financial issues.
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.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	<b>COMPLIANT</b>	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst’s briefing, Media briefing/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p>The Association’s website <a href="http://memba.com.ph">http://memba.com.ph</a></p>	
<b>Internal Control System and Risk Management Framework</b>			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	<b>COMPLIANT</b>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system.</p> <p>a. Focusing on reviewing the effectiveness of the governance and control processes in:</p> <p>b. Performs regular and special audit as contained in the annual audit plan</p> <p>c. Performs consulting and advisory services related to governance and control as appropriate for the organization;</p> <p>d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;</p> <p>e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;</p> <p>f. Evaluates operations or programs to ascertain whether results are consistent with established</p>	

		objectives and goals, and whether the operations or programs are being carried out as planned; g. Evaluates specific operations at the request of the Board or Management, as appropriate; and h. Monitors and evaluates governance processes.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>NON-COMPLIANT</b>	Identify international framework used for Enterprise Risk Management.	As of the moment the association does not have an enterprise risk management due to the limited scope of transactions. The transactions/members of the association are from DepEd and the works closely with the department through the Automatic Payroll Deduction System.
<b>Recommendation 12.2</b>			
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.	<b>COMPLIANT</b>	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.  The internal audit is in-house.	
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>COMPLIANT</b>	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to document containing his/her responsibilities.	
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.	<b>COMPLIANT</b>	The Association CAE is Elvira C. Montera <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
3. In case of a fully outsourced internal audit activity, a qualified	<b>COMPLIANT</b>	Identify qualified independent executive or senior management personnel, if applicable.	

independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.		The internal auditor of the Association is not outsourced and handled by the Internal Audit Unit.	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>NON-COMPLIANT</b>	Provide information on company's risk management function.	Considering the size of the association and limited transaction with the captured market of DepEd employees the association does not have a separate risk management. However, the association will look into this and shall determine on how the association should move forward.
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	<b>NON-COMPLIANT</b>	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/backgrounds.	Considering the size of the association and limited transaction with the captured market of DepEd employees the association does not have a separate risk management. However, the association will look into this and shall determine on how the association should move forward.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<b>NON-COMPLIANT</b>		
<b>Cultivating a Synergic Relationship with Shareholders</b>			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed	<b>COMPLIANT</b>	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are	

in the Manual on Corporate Governance.		disclosed.  The members' rights are stated in Section IX of the Manual on Corporate Governance of the Association. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>COMPLIANT</b>	The members' rights are stated in Section IX of the Manual on Corporate Governance of the Association. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 13.2</b>			
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.	<b>NON-COMPLIANT</b>	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.  Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.	The notices for the annual and special members meeting is stated in Article 1 Section 3 of the By-Laws of the association.  <a href="http://memba.com.ph/corporategovernance2023/amendedbylaws">http://memba.com.ph/corporategovernance2023/amendedbylaws</a>
<b>Recommendation 13.3</b>			
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.	<b>COMPLIANT</b>	Provide information or reference to a document containing information on all relevant questions raised and answers during the AMS and special meeting and the results of the vote taken during the most recent ASM/SSM.	Normally, the results of election are announced within the day of election, but for 2021 since the AGM done virtually, the results were announced before the AGM adjourned.
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.	<b>COMPLIANT</b>	Provide link to minutes of the meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was	Normally the Minutes of the AGM is posted on the website together with the ACGS.

		by poll. Include whether there was opportunity to ask questions and the answers given, if any.	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>NON-COMPLIANT</b>	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	The association shall adopt policy to resolve dispute.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>NON-COMPLIANT</b>	Provide link/reference to where it is found in the Manual on Corporate Governance.	The association shall make necessary changes.
<b>Duties to Stakeholders</b>			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>COMPLIANT</b>	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders. MCG section X. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	Identify policies and programs for the protection and fair treatment of company's stakeholders. MCG section X. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company	<b>COMPLIANT</b>	Provide contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation	

and to obtain redress for the violation of their rights.		of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.  Each branch of the association has its own hotline number where the members can text or call.	
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.			
<b>Recommendation 15.1</b>			
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.	<b>COMPLIANT</b>	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation. MCG section X. <a href="http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf">http://memba.com.ph/corporategovernance2023/manualoncorporategovernance.pdf</a>	
<b>Recommendation 15.2</b>			
Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	<b>NON-COMPLIANT</b>	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	The association is still on the works of on adopting anti-corruption policy and shall make necessary changes.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>COMPLIANT</b>	Identify how the board disseminated the policy and program to employees across the organization.  A copy of the policies and all manuals are provided to all officers and employees for them to review. It is also part of the orientation process.	
<b>Recommendation 15.3</b>			
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.	<b>NON-COMPLIANT</b>	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	The association still has to make necessary amendments/additions to its existing policies to include the policies recommended by the revised code of corporate governance.
2. Board establishes a suitable framework for whistleblowing that allows employees to have	<b>NON-COMPLIANT</b>		


direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.			
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>NON-COMPLIANT</b>	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The association still has to make necessary amendments/additions to its existing policies to include the policies recommended by the revised code of corporate governance.
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.			
<b>Recommendation 16.1</b>			
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.	<b>COMPLIANT</b>	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.  Annually the association participates in the DepEd's program Brigada Eskwela, as part of our social responsibility.	



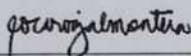
**CERTIFICATION**

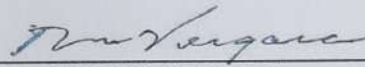
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

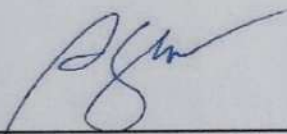
Signed in the City of CITY OF MANILA on the JUN 27 2024 of \_\_\_\_\_ 2024.

  
\_\_\_\_\_  
JUAN ANDRE TERENCE R. LACSON  
CHAIRMAN OF THE BOARD/PRESIDENT

  
\_\_\_\_\_  
MARLON H. MONTERA  
CORPORATE SECRETARY

  
\_\_\_\_\_  
ELVIRA C. MONTERA  
COMPLIANCE OFFICER

  
\_\_\_\_\_  
REYNALDO M. VERGARA  
INDEPENDENT DIRECTOR


  
\_\_\_\_\_  
ROMELITO G. FLORES  
INDEPENDENT AUDITOR

JUN 27 2024

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

Name	ID	Date/Place Issued
1. Juan Andre Terence R. Lacson	SSS ID 33-4859997-9	
2. Marlon H. Montera	SSS ID 09-2283088-2	
3. Elvira C. Montera	SSS ID 09-2211068-3	
4. Reynaldo M. Vergara		
5. Romelito G. Flores		

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BOOK No. 287M  
SERIES OF \_\_\_\_\_

  
ATTY. PETER ANTHONY T. MALLARI  
Notary Public until December 31, 2024  
Notarial Commission # 2023-210  
1155 Gen. Luna St., Ermita Manila  
IBP # 317318, Roll# 77587 TIN: 133-031-552  
PTR# 1527774 / 1-02-2024 Mla. 1-3-2024  
MCLE VIII# 0002695