

# TULUNGAN MUTUAL BENEFIT ASSOCIATION INC.

## Annual Corporate Governance Report

For the year ended 2021

	Compliant/ Non- Compliant	Reference/Additional Information	Explanation
THE BOARD GOVERNANCE RESPONSIBILITIES			
<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 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	Provide basic information and qualification of the elected Board of Trustees	
2. Board has an appropriate mix of competence and expertise.	Compliant	As part of the continuing education and training of the elected Board of Trustees, the newly elected BOT has attended the Annual Corporate Governance Seminar. The Association Corporate Governance Manual serves as their guide.  Ref: <a href="#">Tulunganmabainc.website Board of Trustees</a>	
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		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The seven (7) BOT are composed of five (5) Regular BOT and two (2) Independent BOT  Ref: <a href="#">Corporate Governance Manual- Board Structure</a>	
Recommendation 1.3			

1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to association's Manual on Corporate Governance To be familiarized with their duty, they are required to attend the AMLA & Good Governance Training or its equivalent.  Ref. <a href="#">Corporate Governance Manual- Board Composition and Qualification</a>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant		
3. Company has relevant annual continuing training for all directors	Compliant		
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	There is a fair requirement as to the qualifications of BOT. The Nomination Committee is strictly following the process Ref: <a href="#">1) Corporate Governance Manual-Board Composition and Qualification</a> <a href="#">2) Nomination/Election Manual</a>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	Compliant	Provide information and link to a document containing information on the Corporate Secretary, including her name, qualifications, duties and functions. The association's Corporate Secretary is Ms. Ma.Gloria T. De Jesus who is now serving from 2021-2023. The Corporate Secretary of the association is part of the seven (7) BOT. Ref: 1) <a href="#">By-Laws</a> 2) <a href="#">Corporate Governance Manual</a>	
2. Corporate Secretary is a separate individual from the	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant		
Recommendation 1.6			

1. Board is assisted by a Compliance Officer.	Compliant	Provide information as to the qualifications of the assigned Compliance Officer.	
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.	Non-Compliant	In the meantime, the Compliance Officer of the Association is part of the BOT The Compliance Officer for 2021-2023 is Ms. Felina C. Magno. She is one of the two (2) elected Independent BOT.  The Compliance Officer is a member of the BOT where Corporate Governance Training/Seminar is a requirement	The association cannot afford to hire a separate Compliance Officer.
4. Compliance Officer attends training/s on corporate governance annually.	Compliant		
<b>Principle 2:</b> 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 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	Provide link and information on how the BOT performed their duties.  The BOT hold their Regular, Special and Emergency Meetings of the association. Ref: <a href="#">1)Notice of Meeting</a> <a href="#">2) Minutes of Meeting</a>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company’s business objectives and strategy.	Compliant	Provide link and information on how the BOT performed their duties.  The association conducts a once a year business planning. The business plan and/or any changes on the plans and strategies are presented to the	

		<p>BOT for approval. This is to ensure that the associations plans are all aligned with the vision/mission of the association.</p> <p>Ref: Board Resolution approving the Business Plan and Strategies.</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	<p>Before the approval of the annual business plan, the business done for the past year are likewise presented.</p> <p>Ref: <a href="#">2021 Business Plan</a></p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information and reference to a document containing information of the President/Chairperson</p> <p>The current President of the association is Ms. Cristina L. Tamayo. She will serve the association up to year 2023.</p> <p>Ref: <a href="#">1)Profile of the President 2) website</a></p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Provide link or information as to how the BOT prepare and ensure effective succession program.</p> <p>The Board is responsible for ensuring effective succession program for BOT. The Advisory Board of Trustees is also at close watch on it.</p> <p>Ref: Corporate Governance Manual-Duties and Responsibilities</p>	

2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		No provision for the Board of Trustees
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	The Board of Trustees shall not receive any amount of compensation or any remuneration for services rendered in the associations. Ref: <a href="#">By-Laws</a>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Remuneration 2.6			
1. Board has formal and transparent board nomination and election policy.	Compliant	Provide information and link on how the election process is being implemented.  The Nomination and Election Committee are in-charge to oversee the whole process for election of New Board of Trustees or appointment.  Ref: <a href="#">Corporate Governance Manual</a> <a href="#">1)Rights of Members</a> <a href="#">2)Board Composition</a> <a href="#">3) Board Qualification</a> <a href="#">4) Nomination and Election 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 includes how the company accepts nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	
2. RPT policy includes appropriate review and approval of	Compliant		

material RPTs, which guarantee fairness and transparency of the transactions.		The BOT are responsible for overseeing the operation of the association especially the Related Party Transaction Ref: <a href="#">Corporate Governance Manual-Related Party Transaction</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Recommendations 2.8			
1. Board is primarily responsible for approving the selection of management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide reference to a document containing the Board's policy and responsibility for approving the selection, appointment and assessment process of the management.	
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	The Board is responsible for the selection and appointment of the Manager. Other position shall be recommended by the Manager to the BOT.  Ref: <a href="#">Corporate Governance Manual: Specific Duties of the Board of Trustees.</a>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information and reference to a document containing the Board's performance management framework for management and personnel	
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	The association conducts an annual Performance Evaluation for all regular employees. The result serves as the Annual Performance Rating of the employee. Performance	

		Evaluation takes into consideration both quantitative and qualitative performance indicators. In the conduct of the Performance Evaluation, standardized form is used.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system are in place.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>The Audit/Oversight Committee and the Board ensures that appropriate control are implemented.</p> <p>Ref: <a href="#">Corporate Governance Manual- Internal Auditor</a></p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>The Internal Audit Charter is included at the approved Corporate Governance Manual</p> <p>Ref: <a href="#">Corporate Governance Manual/Internal Auditor</a></p>	
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	Provide reference to a document showing the Board Oversight responsibility.	
2. The risk management framework guides in the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>The Board of Trustees are responsible for approving and overseeing the associations policies, procedure and corporate governance.</p> <p>Ref: <a href="#">Corporate Governance Manual- Governance Structure</a></p>	

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	Provide link to the company's website where the Board Charter is disclosed  The Corporate Governance Manual serves as the Charter of the Board.  Ref: <a href="http://www.tulunganmbainc.com">www.tulunganmbainc.com</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 performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide reference to a document containing information on all the board committees established by the company  This is part of the Audit/Oversight Committee function.  Ref: <a href="#">Corporate Governance Manual- Governance Structure</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	Provide reference to a document containing of the Audit Committee, its qualifications, functions and responsibilities.	
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/Oversight Committee is composed of two (2) Independent BOT and one (1) Regular Trustee.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in	Compliant	All of the Committee of the Board of Trustees requires at least one (1)	



the areas of accounting, auditing and finance.		Independent BOT Member.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Ref: <a href="#">1)Corporate Governance Manual-Board Committee</a> <a href="#">2) Tulungan MBI website- www.tulunganmbainc.com</a> <a href="#">3) Amended By-Laws-Article VI/VII</a>	
Recommendation 3.3			
1. Board establishes a <b>Corporate Governance Committee</b> 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.	Non-Compliant	Provide reference to a document showing that part of the Corporate	Governance Committee functions was done by the Audit and Oversight Committee. We are partially complied, but not totally, due to lack of resources who will handle the committee.  Ref: <a href="#">Corporate Governance Manual</a>
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non-Compliant		
3. Chairman of the Corporate Governance Committee is an independent director.	Non-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	Provide reference to a document containing information relevant to Board Risk Oversight Committee Functions.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	The function belongs to Oversight and Review Committee  Ref: <a href="#">Corporate Governance Manual Oversight and Review Committee</a>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4. At least one member of the BROC has relevant through knowledge and experience on risk and risk management.	Compliant		
Recommendation 3.5			
1. The Board establishes a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The function belongs to Oversight and Review Committee	
2. RPT Committee is composed of at least three non-	Compliant		

executive directors, majority of whom should be independent, including the Chairman.		Ref: <a href="#">Corporate Governance Manual Oversight and Review Committee</a>	
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on reference to the association's committee functions and responsibilities.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	All Committees have their respective functions and responsibilities. This is disclosed at the Corporate Governance Manual.	
3. Committee Charters were fully disclosed on the company's website.	Compliant		
		Ref: <a href="http://www.tulunganmbainc.com">www.tulunganmbainc.com</a>	
<b>Principle 4:</b> 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.			
Recommendations 4.1			
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.	Compliant	We do tele-/videoconferencing for sometimes but some of the members of the BOT can't adopt to this latest method, instead we limit the scheduled meetings and have their choices on how they can be able to attend the scheduled meetings.  Ref: <a href="#">Notice of Meetings</a>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee Meetings.	Compliant		
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Non-Compliant		We don't have any Trustees who serve the same capacity to other Insurance Company. Whenever this happen, the association shall not limit and allow any Trustees to be connected to other entity.
Recommendation 4.3			
1. The directors notify the company's board where	Compliant	Provide information in relation to	

he/she is an incumbent director before accepting a directorship in another company.		document submitted by any qualified Board of Trustees in relation to their Personal information and work background. Ref: <a href="http://www.tulunganmbain.com">www.tulunganmbain.com</a>	
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty (20%) Independent Directors.	Compliant	The association has fully complied with the requirement. It has been clearly stated in the By-Laws of the Association.  Ref: <a href="#">1) By-Laws</a> <a href="#">2) Nomination and Election Committee Guidelines</a>	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	The association, thru the Nomination and Election Committee makes sure that its Independent Trustees to possess the necessary qualifications and none of the disqualification to hold the position. Ref: <a href="#">1) Election Guidelines</a> <a href="#">2) Governance Structure</a>	
Recommendation 5.3			
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 entities, all previous terms served by existing	Non-Compliant		Currently, the Independent Board of Trustees is allowed to serve for two (2) consecutive years and a rest of one (1) whole term.

Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.			However, the amendment of By-Laws and Election Guidelines regarding term of office is soon for approval for the compliant of this recommendation.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Non-Compliant		
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 seek shareholder’s approval during the annual shareholder’s meeting.	Non-Compliant		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	We don’t have Chairman of the Board. We had only President as the head of the Board of Trustees.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant		
Recommendation 5.5		The specific duties and responsibilities of the Association’s President is clearly defined.  Ref: <a href="#">Corporate Governance Manual</a>	
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		
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant		
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 place within the corporation.	Compliant	Audit and Oversight was composed mainly of Independent Board of Trustees. Their responsibility and function was clearly defined .  Ref: <a href="#">Corporate Governance Manual</a>	
2. The meetings are chaired by the lead independent director.	Compliant		
Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possess the right mix of backgrounds and competencies.			

Recommendations 6.1				
1. The Board conducts an annual assessment of its performance as a whole.	Compliant	The annual assessment done every January of the following year.		
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	Ref: <a href="#">BOT Performance Score Card</a>		
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 process to determine the performance of the Board, individual directors and committees.	Compliant			
2. The system allows for a feedback mechanism from the shareholders.	Compliant			
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
Recommendation 7.1				
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The member , Officers and staff of the Tulungan MBAI is driven and guided by the Associations Mission, Vision and Core Values. More so, the Code of Discipline and Corporate Governance Manuals are the Bible of the Association.  Ref: <a href="#">1) Corporate Governance Manuals</a> <a href="#">2) Code of Ethics</a>		
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. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant			
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant			

<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendations 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.	Compliant	The disclosure of relevant information about the Association are easily access at the associations website.  Ref: <a href="http://www.tulunganmbain.com">www.tulunganmbain.com</a>	
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	As stated at the Articles of Incorporation, the Board of Trustees shall not receive any remuneration.  Relevant information in relations to Board of Trustees are also disclosed.	
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	Ref: <a href="#">1)Articles of Incorporation https://tulunganmbainc.com</a>	
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	The associations maintain a salary and benefits in accordance with the labor law compatible with the current financial condition of the association.  Ref: <a href="#">Employees Manual</a>	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant		
Recommendation 8.5			
1. Company discloses its policies governing Related Party	Compliant		

Transactions (RPTs) and other unusual or infrequently occurring transactions.		Policies related to Related Party Transactions (RPTs) are disclosed in the Corporate Governance Manual.	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders meeting during the year.	Compliant	Ref: <a href="#">Corporate Governance Manual</a>	
Recommended 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Corporate Governance Manual aims to institutionalize the principles of good corporate governance in the Association.	
2. Company's MCG is posted on its company website.		Ref: <a href="http://www.tulunganmbainc.com">www.tulunganmbainc.com</a>	
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	The appointment of the Associations External Auditor is thru the recommendation of the Audit Committee.  Ref: <a href="#">Corporate Governance Manual</a> <a href="#">Internal Audit</a>	
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		
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant		
Recommended 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	Compliant	It is the responsibility of the Audit Committee to assess the Independency of the External	

iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.		Auditor’s suitability and effectiveness.  Ref: <a href="#">Corporate Governance Manual</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	There is no non-audit fees were paid to External Auditor. The Audit Committee dis-allow any non-audit work that will conflict to their Independency and duties as External Auditor. Ref: <a href="#">Corporate Governance Manual/Internal Audit</a>	
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		
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed			
Recommendations 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	The association shall disclose the policy on Economic, Environmental, Social and Governance policies(EESG) and other non-financial information.  Ref: <a href="#">Sustainability Report</a>	
2. Company adopts globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	The Association maintains a website to ensure transparency in disseminating relevant information to the public. Ref: <a href="http://www.tulunganmbainc.com">www.tulunganmbainc.com</a>	



<b>Principle 12:</b> 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.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Audit Committee which is also serve as Internal Auditor regularly reported to the Board of Trustees the result of their regular audit conducted and recommend some control measures to ensure effective internal control system in the conduct of business.  They also tackle risk issues and recommend policies on how the associations mitigate those risks.  Ref: <a href="#">Minutes of BOT Meeting</a>	
2. Company’s has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant		
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company’s operations.	Compliant	The Audit Committee of the Association is composed of Independent Board of Trustees that also serves as the Internal Auditor of the Association.  Ref: <a href="#">Officers of the Association</a>	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-Compliant		Due to Associations current financial condition, the recommendations for Chief Audit Executive and Chief Risk Officer cannot be complied. Instead, the Association maximized the function of the Audit Committee to do the task.
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.	Non-Compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility	Non-Compliant		

for managing the fully outsourced internal audit activity.			The Audit Committees of the Association which the qualifications and experience qualifies to the Internal Auditor requirements.  Ref: Officers of the Association/Profile
Recommended 12.4			
1. The company has a separate Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM)	Non-Compliant		
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		
<b>Principle 13:</b> 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	Member's Right are stated in the Articles of Incorporation and By-Laws and Corporate Governance Manual. They are all posted in the Associations website.  Ref: <a href="#">1) Articles of Incorporation</a> <a href="#">2) Corporate Governance Manual.</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 Shareholder's Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	Notice of Annual General Meeting was disseminated at least 15 days before the scheduled Annual Meeting.  Ref: <a href="#">Notice of Annual Meeting</a>	
Recommendation 13.3			
1. Board encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholder's Meeting publicly available the next working day.	Compliant	There is always "Malayang Talakayan" portion at the program and items for approval and comments from the attendees.  Ref. <a href="#">Minutes of Annual Meeting</a>	
2. Minutes of the Annual and Special Shareholder's Meetings are available on the company website within five business days from the end of the meeting.	Compliant		
Recommendation 13.4			

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Any disagreement or grievance between the Association and its members/ stakeholders shall be resolved under the applicable grievance mechanism of the Association. Ref. <a href="#">Corporate Governance Manual</a>	
2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.	Compliant		
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholder’s 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	The Association is committed to protect the welfare and rights of the members/stakeholders by 1) Ensuring quality service on all transactions conducted in a fair manner 2) Keeping updated on the related information about the association thru website and facebook page 3) Associations contact Numbers/Emails are posted at the Associations website, facebook account and tarpaulins to ensure immediate response to inquiries and concerns.  Ref: <a href="http://www.tulunganmbain.com">www.tulunganmbain.com</a>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant		
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		
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbolic environment, realize the company’s goals and participate in its 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	All policies and procedures including Approved Board Resolutions pertaining to Employees are	
Recommendation 15.2			

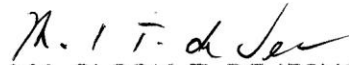
1.	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	discussed and available for them.  Ref: <a href="#">Employees Manual</a>	
2.	Board disseminates the policy and program to employees across the organization through trainings to embed them in the company’s culture.	Compliant		
Recommendation 15.3				
1.	Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	The Remuneration and Review and Review Committee of the Association serves as the Grievance Committee to handle and resolve Employees issues on its work environment.  Ref: <a href="#">Corporate Governance Manual</a>	
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.	Compliant		
3.	Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant		
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.				
Recommendation 16.1				
1.	Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	The association recognized and acknowledged the role of the community in achieving Tulungan MBA Inc. vision and mission.  The Association strictly implemented the solid-waste management program to contribute the international call to address climate change and pollution and likewise cleanliness in the workplace.  Ref: <a href="#">2021 Board Resolution Approved</a>	

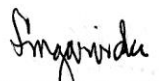
## CERTIFICATE

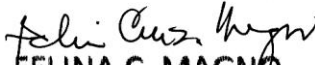
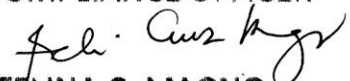
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Malolos, Bulacan on the MAY 27 2022 of May, 2022.

  
CRISTINA L. TAMAYO  
PRESIDENT

  
MA. GLORIA T. DE JESUS  
CORPORATE SECRETARY

  
LOLITA M. GARVIDA  
INDEPENDENT TRUSTEES


  
FELINA C. MAGNO  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
  
FELINA C. MAGNO  
INDEPENDENT TRUSTEES

**SUBSCRIBED AND SWORN** to before me this ~~MAY 27 2022~~ day of May, 2022, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibit to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. CRISTINA L. TAMAYO	Senior Citizen ID No. 21551	05/16/2014 City of Malolos
2. MA.GLORIA T. DE JESUS	Senior Citizen ID No. 35395	09/11/2017 City of Malolos
3. LOLITA M. GARVIDA	TIN ID. No.124-134-037	01/09/1992 Bulacan
4. FELINA C. MAGNO	SSS ID. No. 03-4650478-1	

**NOTARY PUBLIC**

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Series of 2022;

  
**SALVADOR T. REYES**  
Notary Public  
PNC-62-MB-2021 VALID UNTIL DECEMBER 31, 2023  
ROLL OF ATTORNEYS NO. 36928  
PTR NO. 8819624 / 1-3-2022 / MALOLOS CITY  
IBP NO. 169423 / 1-02-2022 / BULACAN CHAPTER  
MCLE COMPLIANCE NO. VI-0026618-8 / 24 / 2019  
2ND FLOOR, NO. 001 T. ALONSO ST.,  
STO. ROSARIO, MALOLOS CITY, BULACAN, PHILIPPINES  
TEL. NO. (044) 816-8142  
E-MAIL: [singston@gmail.com](mailto:singston@gmail.com)