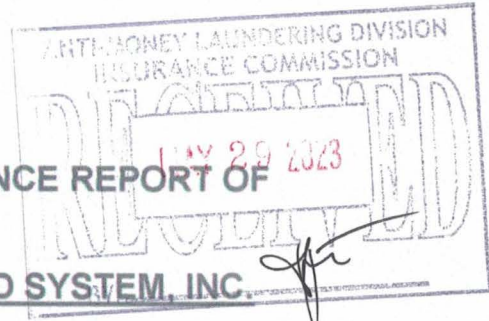




MANILA TEACHERS' MUTUAL AID SYSTEM, INC.

918 United Nations Avenue, Ermita, Manila Tel. Nos.: 404-27-93 to 95



ANNUAL CORPORATE GOVERNANCE REPORT OF

MANILA TEACHERS' MUTUAL AID SYSTEM, INC.

(Name of Company)

1. For the fiscal year ended December 31, 2022
2. Certificate Authority Number Mutual Benefit Association's License No. 2022-34-R
issued by Insurance Commission
3. Gen. Luna, Malabon City, NCR
Province, Country or other jurisdiction of incorporation or organization
4. 91 General Luna St., Malabon City 1470
Address of principal office Postal Code
5. (+632) 8525-3822 / (+632) 8404-2790
Company's telephone number, including area code
6. www.manilateachers.com
Company's official website
7. N/A
Former name, former address, and former fiscal year, if changed since last report.

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MANILA TEACHERS' MUTUAL AID SYSTEM, INC.

918 United Nations Avenue, Ermita, Manila Tel. Nos.: 404-27-93 to 95

ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and long-term best interests of its shareholders and other stakeholders</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Behind Manila Teachers' Mutual Aid System, Inc. ("MTMAS", "Association") is a committed team of remarkably accomplished and well-respected people who are committed to realize the Association's goal as guided by its mission, vision, and values.</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<p>Comprehensive profiles of the Board of Directors, which disclose the age, qualifications, date of appointment, relevant experience, and directorship, see <i>Board of Directors' Profile</i>. http://www.manilateachers.com/</p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant	<p>Members of MTMAS' Board of Directors are highly competent individuals with demonstrated excellence in their respective fields. There have been no changes in the personal circumstances of each director that would otherwise disqualify them to remain as Directors.</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	Compliant	<p>The Board has diverse and balanced composition consisting of highly qualified directors.</p> <p>The Board is composed of six (6) non-executive directors and five (5) executive directors.</p>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		See <i>List of Members of the Board of Directors and Officers as of 22 January 2022</i> . http://www.manilateachers.com/	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	All directors are encouraged to participate in continuing education programs at the Company's expense to maintain a current and effective Board. Trainings attended by the Directors are disclosed in their respective <i>BOD Profiles</i> . http://www.manilateachers.com/	
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.	Non-Compliant		The Association is currently drafting its Corporate Governance Manual and shall incorporate the policy on Board Diversity.
Recommendation 1.5			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	The MTMAS' Corporate Secretary is Mrs. Filomena S. Lacson.	
2. Corporate Secretary is a separate individual from the Compliance Officer	Compliant	The Association's Corporate Secretary is separate from the Association's Compliance Officer. See <i>List of Members of the Board of Directors and Officers as of 22 January 2022</i> . http://www.manilateachers.com/	
3. Corporate Secretary is not a member of the Board of Directors	Non-Compliant		The Association's Corporate Secretary is also one of the Board of Directors.
4. Corporate Secretary attends training/s on corporate governance.	Complaint	Trainings attended by the Corporate Secretary are indicated in her Profile. See <i>BOD Profile</i> , http://www.manilateachers.com/	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	Compliant	Yes. Board is assisted by a Compliance Officer. The Association's Compliance Officer is appointed by the Board of Directors. She reports functionally to the Board of Directors and administratively to the President and CEO. See <i>Compliance Officer's Job Description</i> for the qualifications, duties, and functions. http://www.manilateachers.com/	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	Non-Compliant		Currently, MTMAS' Compliance Officer has a rank of Manager. However, the Association will consider hiring an additional

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. Compliance Officer is not a member of the board.	Non-Compliant		Compliance Officer with a rank of Vice President consistent with the recommendation in the Revised Code of Corporate Governance for ICREs (CL No. 2020-71).
4. Compliance Officer attends training/s on corporate governance annually	Compliant	The Compliance Officer attended the Good Corporate Governance Seminar on 28 July 2022 conducted by the ANSLI. See copy of the Certificate of Participation. See http://www.manilateachers.com/	

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 known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company	Compliant	<p>The Association's Board of Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p> <p>Please see <i>2022 Annual Report</i>. See: http://www.manilateachers.com/</p> <p>Also, please see <i>Board of Directors' Meeting and Committee Meeting Attendance and Summary of the 2022 Board Meetings</i> showing the items discussed and approved by the Board.</p>	
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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	MTMAS' Board of Directors oversees the development, review and approval of the Association's business objective and strategies. Please see <i>2022 Annual Report</i> .	
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	Also, please see <i>Summary of the 2022 Board Meetings</i> showing the items discussed and approved by the Board.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson	Compliant	The Association's Chairperson is Director Jennifer S. Lacson. See <i>BOD Profile</i> for her profile and qualifications. http://www.manilateachers.com/	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	MTMAS' Board ensures and adopts an effective succession planning program for directors, key officers and management. Please see <i>MTMAS Amended By-Laws</i> :	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board adopts a policy on the retirement for directors and key officers	Compliant	<p>Article XI – Board of Directors</p> <p>“Section 1: The corporate powers shall be exercised, and the property and business of the Association shall be managed and administered by a Board of Directors consisting of eleven (11) members who shall serve for one (1) year from the date of his qualification and until their successors shall have been elected and qualified.</p> <p>Section 2: Any vacancy in the Board shall be filled up by the election of a replacement director in the same manner as herein provided for the regular election of directors, or by designation by majority vote of the remaining directors if still constituting a quorum. The director so elected shall serve only for the unexpired term of the director he replaces.”</p> <p>Article XII - Officers</p> <p>“Section 1: The Board of Directors shall elect from among themselves the officers of the Association consisting of a President, a Vice-President, a Secretary, a Treasurer, and an Auditor whose powers and duties shall as herein provided and as the Board of Directors shall from time to time determine in conformity with the provisions of the By-Laws, officers shall be elected to their office by majority vote of the Board of Directors.”</p>	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying	Non-Compliant		The Association is on its final phase of adopting its Corporate

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
the relationship between remuneration and performance of key officers and board members.			Governance Manual and shall incorporate this policy. The timeline for the approval and implementation is on 3 rd quarter of 2023.
2. Board aligns the remuneration of key and board members with long-term interests of the company.	Compliant	The Association adopts remuneration policy that is geared towards attracting, retaining and motivating employees and members of the Board. See <i>Handbook on Personnel Policies and Related Matters</i>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration	Compliant	The concerned directors are required to recuse in the deliberation involving their own remunerations.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy	Compliant	See <i>MTMAS Amended By-Laws</i> Article XV – Elections “Section 1. Members of the Board of Directors shall be elected by plurality of votes of members either in person or by proxy, the total majority of members shall constitute a quorum. Section 2. Regular elections for the Board of Directors shall be held by secret ballot during the annual meeting of the members at the principal office of the Association.”	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance	Non-Compliant		The Association is on its final phase of adopting its Corporate Governance Manual and shall incorporate this policy. The timeline for the approval and implementation is on 3 rd quarter of 2023.
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	See <i>MTMAS Amended By-Laws</i> Article XV – Elections	
4. Board nomination and election policy includes how the board reviews nominated candidates	Compliant	“Section 4. The Committee on Elections shall promulgate rules and regulations to govern the conduct of elections. It shall among other matters pertinent to the holding of elections, call for nominations, based on the qualifications of candidates, prepare and issue ballots, supervise the elections and canvassing of votes, and proclaim the results of the elections. Results of the elections duly certified by the Committee on Elections shall be final.”	
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		

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Non-Compliant		The Association is on its final phase of adopting its Corporate Governance Manual and shall incorporate this policy. The timeline for the approval and implementation is on 3 rd quarter of 2023.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Non-Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-Compliant		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the	Compliant	See <i>MTMAS' Amended By-Laws</i> Article XI – Board of Directors	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>“Section 1. The corporate powers shall be exercised, and the property and business of the Association shall be managed and administered by a Board of Directors consisting of eleven (11) who shall be elected in a manner herein provided xxx xxx.”</p> <p>Article XII – Officers</p> <p>“Section 1. The Board of Directors shall elect from among themselves the officers of the Association consisting of a President, a Vice-President, a Secretary, a Treasurer, and an Auditor whose powers and duties shall as herein provided and as the Board of Directors shall from time to time determine in conformity with the provisions of the By-Laws, officers shall be elected to their office by majority vote of the Board of Directors.”</p>	
<p>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).</p>	<p>Complaint</p>	<p>All employees are assessed using a Point Rating Method or Merit System, relative to the employees’ functions. See MTMAS Amended By-Laws.</p> <p>Article XIII – Powers and Duties of the Board of Directors</p> <p>“Section 1. The powers and duties of the Board of Directors shall be as follows:</p> <ol style="list-style-type: none"> a. To determine the organizational structure of the Association; b. To formulate policy guidelines for the Management of the Association; c. To set up a mechanism for hiring officers and employees of the Association, fixing salaries and fringe benefits 	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		relative to qualifications, experience and job responsibilities, and prescribing the mode of exit in accordance with labor laws; Xxx xxx. Xxx xxx. Xxx xxx. Xxx xxx.”	
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	MTMAS adopts policy on the assessment process for senior management using a Point Rating Method or Merit System. <i>See MTMAS Handbook on Personnel Policies and Related Matters</i>	
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.	Complaint	All employees are assessed using a Point Rating Method or Merit System, relative to the employees' functions. <i>See MTMAS Handbook on Personnel Policies and Related Matters</i>	
Recommendation 2.10			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board oversees that an appropriate internal control system is in place.	Compliant	Please see <i>Internal Audit Charter and Audit and Compliance Committee Charter</i>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders	Compliant		
3. Board approves the Internal Audit Charter	Compliant		
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	Please see <i>Risk Management Manual</i>	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies	Compliant		

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	MTMAS Board Charter: <ul style="list-style-type: none"> Corporate Governance and Supervisory Committee Credit and Related Party Transaction Committee Scholarship Committee Information Technology Committee Nomination and Membership Committee Remuneration and Audit and Compliance Committee Risk Oversight Committee Social Development Committee 	
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		
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities	Compliant	MTMAS Board Charter: <ul style="list-style-type: none"> Supervisory Committee Credit Committee Scholarship Committee Information Technology Committee Audit and Compliance Committee 	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Please see <i>Audit and Compliance Committee Charter</i>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant		
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The Committee consists of at three (3) member Trustees have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, finance, specific industry knowledge, IT, law, governance, risk and control.	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee	Compliant	The Chairman of the Audit and Compliance Committee is Director Buddy F. Arcangel. He is not the Chairman of the Board or any other Committees.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	The Board's existing Supervisory Committee is merged with the Corporate Governance Committee. Necessary amendment to the Committee Charter is underway.	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors	Non-Compliant		MTMAS has only two (2) independent directors (compliant with the 20% requirement) who chair different committees. This way, each independent trustee can give its full attention and sufficient/ample time for deliberations in their respective Board Committee.
3. Chairman of the Corporate Governance	Non-Compliant		Same as above.

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Committee is an independent director.			
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	The Board's Investment, Asset and Risk Management Committee shall carry out the functions of Board Risk Oversight Committee. Necessary amendment to the Committee Charter is underway.	.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		MTMAS has only two (2) independent directors (compliant with the 20% requirement) who chair different committees. This way, each independent trustee can give its full attention and sufficient/ample time for deliberations in their respective Board Committee.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		Same as above
4. At least one member of the BROC has relevant	Compliant		

ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
thorough knowledge and experience on risk and risk management,			
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Board's existing Credit Committee is merged with the Related Party Transaction Committee. Necessary amendment to the Committee Charter is underway.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Non-Compliant		MTMAS has only two (2) independent directors (compliant with the 20% requirement) who chair different committees. This way, each independent trustee can give its full attention and sufficient/ample time for deliberations in their respective Board Committee.
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective	Compliant	MTMAS Board <i>Charters</i> : <ul style="list-style-type: none"> • Supervisory Committee • Credit Committee 	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
purposes, memberships, structures, operations, reporting process, resources and other relevant information.		<ul style="list-style-type: none"> • Scholarship Committee • IT Committee • Audit and Compliance Committee <p>See: http://www.manilateachers.com/</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Please see MTMAS website http://www.manilateachers.com/	

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

Recommendation 4.1

1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele / videoconferencing conducted in accordance	Compliant	The Association monitors the attendance and participation of the Board in all meetings of the Board and Committee meetings. See <i>Summary of Board Meetings for 2022.</i> http://www.manilateachers.com/	
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ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
with the rules and regulations of the Commission			
2. The directors review meeting materials for all Board and Committee meetings	Compliant	<p>The directors are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate, and contribute meaningfully to the discussions of the Board.</p> <p>Please see <i>Summary of the 2022 Board Meetings and Summary of Board Resolution 2022</i>, showing the items discussed and approved by the Board and/or excerpts thereof. http://www.manilateachers.com/</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>The directors are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate, and contribute meaningfully to the discussion of the Board.</p> <p>Please see <i>Summary of the 2022 Board Resolutions</i> showing the items discussed and approved by the Board. See: http://www.manilateachers.com/</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and	Compliant	<p>Concurrent directorship in other corporations of the non-executive directors is disclosed in their respective <i>BOD Profile</i>. (See <i>BOD Profiles</i>) http://www.manilateachers.com/</p>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.			
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company	Compliant	Concurrent directorship in other corporations of the non-executive directors is disclosed in their respective Profile. (See <i>BOD Profiles</i>)	
Principle 5: 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 percent (20%) independent directors	Compliant	MTMAS' Board has two (2) independent directors in its eleven (11) member Board in compliance with the IC CL No. 2019-36 which mandates ICREs to have independent directors constituting at least 20% of its Board. Please see List of Members of the Board and Officers 2022 http://www.manilateachers.com/	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	The Board's independent director has all the necessary qualifications and none of the disqualification, as shown in his/her <i>BOD Profile</i> .	
Recommendation 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent</p>	Compliant	MTMAS' Independent Directors, Buddy F. Arcangel and Angelita L. Alfante were elected as such during MTMAS' 2022 Annual Membership Meeting held last 22 January 2022. See <i>Minutes of 2022 Annual Membership Meeting</i> .	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.			
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		
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 the annual shareholders' meeting.	Compliant	The nine-year term service has not yet been reached by the independent directors.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals,	Compliance	Yes. <i>See List of Members of the Board of Directors and Officers as of 30 January 2022</i>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www.manilateachers.com/	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Yes. See <i>MTMAS Amended By-Laws</i>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors	Compliant	The positions of Chairperson of the Board and Chief Executive Officer are held by separate individuals with clearly defined responsibilities. See <i>MTMAS Amended By-Laws and List of Members of the Board of Directors and Officers as of 22 January 2022.</i> http://www.manilateachers.com/	
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	Non-Compliant		The Association is currently drafting its Corporate Governance Manual and shall incorporate this policy.
Recommendation 5.7			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Non-Compliant		The Board shall formulate the necessary policy on separate periodic meetings for non-executive directors.
2. The meetings are chaired by the lead independent director.	Non-Compliant		The Board shall formulate the necessary policy on separate periodic meetings for non-executive directors.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	Non-Compliant		The Board shall formulate a procedure on the Board's annual self-assessment process to measure its effectiveness.
2. The performance of the Chairman is assessed annually by the Board.	Non-Compliant		

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. The performance of the individual member of the Board is assessed annually by the Board	Non-Compliant		
4. The performance of each committee is assessed annually by the Board.	Non-Compliant		
5. Every three years, the assessments are supported by an external facilitator	Non-Compliant		

Since the usual term of office of a director is limited to one year or less, changes are possible every year during Annual General Membership Meeting, thus assessment of every director's performance every three years by an external facilitator might not necessarily serve the best interest of the Association.

The same trustee will no longer be around for the next assessment season. Moreover, assessment by an external facilitator will always entail additional cost to the company considering now at this time of pandemic, resources are being utilized for the most basic necessities. We will just consider this recommendation in future planning of the Board.

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Non-Compliant		The Board shall formulate a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.
2. The system allows for a feedback mechanism from the shareholders	Non-Compliant		The Board shall formulate such system that allows for a feedback mechanism from the Members.
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Association has a Handbook on Personnel Policies and Related Matters as approved by the Board in <i>BR No. 04-2014</i> .	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. The Code is properly disseminated to the Board, senior management and employees	Compliant	The Human Resources is responsible for overseeing the implementation of this Code across the MTMAS. For the senior management and employees, this was disseminated through to each Department and is included in the orientation for new employees.	
3. The Code is disclosed and made available to the public through the company website.	Non-Compliant	<i>See: http://www.manilateachers.com/</i>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Human Resources is responsible for overseeing the implementation of this Code across the MTMAS. For the employees, this was disseminated through to each Department as well as included in the orientation for its new employees.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies	Compliant	All on-boarding employees are required undergo Orientation Training Program as a pre-requisite for job assignment.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>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.</p>	<p>Compliant</p>	<p>The essence of good corporate governance is transparency. MTMAS Board of Directors always commits to meet all disclosure requirements particularly those involving material information as mandated by regulators within the prescribed period.</p> <p>See 2022 Annual Report, http://www.manilateachers.com/</p>	
<p>Recommendation 8.3</p>			
<p>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</p>	<p>Compliant</p>	<p>Please see MTMAS website http://www.manilateachers.com/</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of</p>	<p>Compliant</p>	<p>See <i>Profiles of the Members of the Board of Trustees and Key Officers of MTMAS.</i></p>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
interest that might affect their judgment,			
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 members of the Board of Directors do not receive any compensation or remuneration for their services as such, except for reasonable allowance and per diem. See <i>2019 ACGS of MTMAS</i> in the website	
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	Non-Compliant		Remuneration of all employees, including executive remuneration, is based on the Board-approved Salary Structure and Compensation package, duly researched and deliberated. This will be incorporated in the drafting of Remuneration Committee Charter.
3. Company discloses the remuneration on an	Non-Compliant		Remuneration for executive directors is not disclosed due to

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
individual basis, including termination and retirement provisions.			data privacy considerations. Termination and/or retirement, however, are always aligned with by the provisions of By-Laws on term of office and MTMAS retirement plan/policy.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	Non-Compliant		MTMAS Board shall adopt the necessary Related Party Transactions (RPT) policies.
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.	Non-Compliant		Same as above.
Recommendation 8.7			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Non-Compliant		The Association is on its final phase of adopting its Corporate Governance Manual and shall incorporate this policy. The timeline for the approval and implementation is on 3 rd quarter of 2023.
2. Company's MCG is posted on its company website	Non-Compliant		Same as above.
<p>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.</p>			
<p>Recommendation 9.1</p>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors	Compliant	See <i>Audit and Compliance Committee Charter</i> http://www.manilateachers.com/	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and	Compliant	See <i>Audit and Compliance Committee Charter</i> See <i>Minutes of the Annual General Membership Meeting dated 22 January 2022.</i> See http://www.manilateachers.com/	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
ratified by the shareholders.			
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	No External Auditor removal or change has occurred in 2022.	
Recommendation 9.2			
1. Audit Committee Charter includes Audit Committee's responsibility: <ul style="list-style-type: none"> 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 	Compliant	See <i>Audit and Compliance Committee Charter</i> http://www.manilateachers.com/	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
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	See <i>Audit and Compliance Committee Charter</i> http://www.manilateachers.com/	
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 was no non-audit service performed by the same external auditor handling the statutory audit in CY2022.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the	Compliant	There was no non-audit service performed by the same external auditor handling the statutory audit in CY2022.	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>			
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed</p>			
<p>Recommendation 10.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>See <i>MTMAS Amended By-Laws</i></p> <p>“Anchored mainly on the purpose of fostering brotherhood and mutual help and benefit among the members of the Association, to encourage the habit of thrift and savings among the members, and provide financial assistance to beneficiary of deceased members, the Association conducts operations and activities aligned with the corporate thrust of providing socio-economic benefits to the members, and employees.”</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Non-Compliant</p>		<p>The Association does not have a consolidated Sustainability Report that follows a certain format or template, the Board Committee collates all economic, environmental, and social reports from concerned units and reports the same to the appropriate Committee and to the Board.</p>

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p>Recommendation 11.1</p>			
<p>1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</p>	Compliant	<p>Communications channel used by MTMAS:</p> <p>Website: www.manilateachers.com Facebook: Official Email: mtmas.compliance@manilateachersonline.com Phone Number(s): (02) 8525-3822 / (02) 8404-2790</p>	
<p>Internal Control System and Risk Management Framework</p>			
<p>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.</p>			
<p>Recommendation 12.1</p>			
<p>1. Company has an adequate and internal control system in the conduct of its business.</p>	Compliant	<p>See <i>Audit and Compliance Committee Charter</i></p> <p>See also <i>Internal Audit Charter</i></p>	
<p>2. Company has an adequate and effective enterprise risk management</p>	Compliant	<p>See <i>Risk Management Manual</i></p>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
framework in the conduct of its business.			
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	<i>See Internal Audit Manual</i>	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	Compliant	MTMAS has an Internal Audit Manager. Please see <i>Internal Audit Manual</i> for the role/functions of the Internal Audit Manager.	
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	Compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or	Compliant	MTMAS' internal audit activity is housed fully within the Association. It is not being outsourced.	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.			
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures	Non-Compliant		The risk management function is carried out by the Board. The Association has no separate risk management team.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant		The functions of risk management are carried out by the Compliance Officer. Designating a separate chief risk officer will entail additional cost to the Association considering now at this time of pandemic, resources are being utilized for the most basic necessities.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		Same as above
Cultivating a Synergic Relationship with Shareholders			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Non-Compliant		The Association is on its final phase of adopting its Corporate Governance Manual and shall incorporate the basic shareholder rights. The timeline for the approval and implementation is on 3 rd quarter of 2023.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-Compliant		Same as above.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting,	Compliant	See <i>Minutes of the 2022 Annual General Membership Meeting.</i> http://www.manilateachers.com/	
Recommendation 13.3			
1. Board encourages active shareholder participation	Compliant	See <i>Summary of Minutes of 2022 Annual General Membership Meeting</i>	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day			
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Compliant	See <i>Summary of Minutes of 2022 Annual General Membership Meeting</i>	

Recommendation 13.4

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Non-Compliant		The Board shall explore the necessary alternative dispute mechanisms and shall incorporate the same in the Corporate Governance Manual.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-Compliant		

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	See 2022 Annual Report	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders	Compliant	See 2022 Annual Report	
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	The Association has a website, and social media account (Facebook) and email address where members can reach / contact in case of concerns/queries/complaints. See MTMAS website http://www.manilateachers.com/	

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Principle 15: A mechanism for employee participation should be developed to create a symbolic environment, realize the company's goals and participate in its corporate governance processes.</p>			
<p>Recommendation 15.1</p>			
<p>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.</p>	Compliant	<p>The Association currently implements programs and procedures that encourage employees to attend trainings and seminars such as but not limited to Special Training program, Management Training Program and Leadership Skills Training Program, through its Human Resources Department.</p> <p>See <i>MTMAS Handbook on Personnel Policies and Related Matters</i></p>	
<p>Recommendation 15.2</p>			
<p>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.</p>	Non-Compliant		<p>The Board shall incorporate in its revision of the Code of Conduct the anti-corruption policy and program</p>
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	Non-Compliant		<p>Same as above.</p>
<p>Recommendation 15.3</p>			

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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Non-Compliant		The Board shall formulate Whistleblowing policy to enable employees to freely communicate their concerns about illegal and/or unethical practices, without fear of retaliation. This will be incorporated in the Manual of Corporate Governance.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Non-Compliant		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Non-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	Compliant	Please see <i>2022 Annual Report</i>	
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	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>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.</p>			


Republic of the Philippines)
City of Manila) s.s.


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 29 MAY 2023 day of May 2023.


JENNIFER S. LACSON
Chairperson of the Board
TIN No.: 136-167-047


VIRGILIO S. LACSON
President and CEO
TIN No.: 121-720-131


FILOMENA S. LACSON
Corporate Secretary
TIN No.: 121-719-765


ANGELITA L. ALFANTE
Independent Director
TIN No.: 121-719-757


BUDDY F. ARCANGEL
Independent Director
TIN No.: 126-701-834



DIGNA L. BURAC-COLLANTES
Corporate Governance Compliance Officer
TIN No.: 479-008-289

29 MAY 2023

SUBSCRIBED AND SWORN to before me this ____ day of May 2023, by the above-named persons, who are all personally known to me (or whom I have identified through competent evidence or identity) and who exhibited to me their respective identification document as written below their names.

NOTARY PUBLIC

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Series of 2023.


MONICA ISABELLE T. VILLANUEVA
Commission No. 2023-033
Notary Public for Manila
Until 31 December 2024
Roll No. 57364
PTR No. 0873034; 01/06/2023
IBP No. 173571; 11/04/2022
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