

**MT. – PROVINCE TEACHERS’ MUTUAL AID SYSTEM, INC.**  
Delos Reyes Bldg. Bintawan RD Poblacion North Solano, Nueva Vizcaya  
Tel. No. 871-0806

May 27, 2024



**HON. REYNALDO AVERILLA REGALADO**

**Insurance Commissioner**  
1071 United Nations Avenue,  
Ermita Manila, Philippines

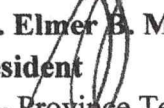
**ATTENTION: CORPORATE GOVERNANCE UNIT**

In compliance to Circular Letter No. 2020-72 dated June 13, 2020 and Circular Letter No. 2021-36 dated May 11, 2021, I submit to you the company website of **Mt.- Province Teachers’ Mutual Aid System, Inc.** with the duly accomplished and certified under oath ACGR Response Forms based on our 2023 operations:

**Company Website:** [www.mtprovince.com](http://www.mtprovince.com)

Please let me know should you have any questions on this matter.

Sincerely,

  
**Mr. Elmer B. Mabbayad**  
**President**  
Mt.- Province Teachers’ Mutual Aid System, Inc.

**ANNUAL CORPORATE GOVERNANCE REPORT OF**  
**MT.-PROVINCE TEACHERS' MUTUAL AID SYSTEM, INC.**  
**(Name of Company)**

1. For the fiscal year ended December 31, 2023
2. Certificate Authority Number (License No. 2022-07-R)
3. Nueva Vizcaya, Philippines  
Province, Country or other jurisdiction of incorporation or organization
4. R. Delos Reyes Bldg., Poblacion North, Solano 3709  
Address of principal office Postal Code
5. 871-0806 /+63917-839-6767/+63997-617-6391  
Company's telephone number, including area code
6. www.mtprovince.com  
Company's official website
7. ....  
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT			EXPLANATION
COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION		
The Board's 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 the long-term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
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	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance <b><u>BOD Profile</u></b> <b><u>Articles of Incorporation and By-laws</u></b> <b><u>www.mtprovince.com</u></b>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships <b><u>General Information Sheet</u></b>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	COMPLIANT	Provide link/reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors. <b><u>AUDIT AND COMPLIANCE COMMITTEE CHARTER</u></b> <b><u>(V. ORIENTATION AND TRAINING)</u></b>	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	NON-COMPLIANT	Provide information on link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	The Association's Board Charter does not specifically discuss the orientation program for new directors, but the Board properly orients the corporation's business, Articles of Incorporation and Code of conduct to the new members upon joining the board. The Association does not provide annual continuing training for directors, but requires doing so if there are updates or changes that relevant to the company.
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT		
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board. <b><u>General Information Sheet</u></b>	
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. <b><u>BOD Profile</u></b> <b><u>Articles of Incorporation and By-laws</u></b>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT		The Corporate Secretary is also a member of the Board.
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT		Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. <b><u>Certificate of Attendance</u></b>
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT		

2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
3. Compliance Officer is not a member of the board.	NON-COMPLIANT	<p align="center"><b><i>Board Committees Duties and Responsibilities</i></b></p>	The Compliance Officer is also a member of the Board.
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT		Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered  <p align="center"><b><i>Certificate of Attendance</i></b></p>

**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.

<b>Recommendation 2.1</b>			
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 information of reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)  <b><i>Annual General Meeting</i></b>	

<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)  <b><i>Annual General Meeting</i></b>	
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		Indicate frequency of review of business objectives and strategy.  <b><i>Annual General Meeting</i></b>
<b>Recommendation 2.3</b>			

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications  <b>BOD Profile</b>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation	The Association has not yet established a formal post-employment plan. However, it accrues the estimated cost of post-employment benefits under a defined benefit plan required by the provisions of the Republic Act (R.A.) No. 7641, The Retirement Pay Law.
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<b>AFS Notes to Financial Statements (No. 3 Material Accounting Policy Information under Employee Benefits page 15)</b>	The Association has not yet established a formal post-employment plan. However, it accrues the estimated cost of post-employment benefits under a defined benefit plan required by the provisions of the Republic Act (R.A.) No. 7641, The Retirement Pay Law.
<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	NON-COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	As provided in the Articles of Incorporation and By-laws, Association's Trustees do not receive any compensation or remuneration.
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	NON-COMPLIANT		As provided in the Articles of Incorporation and By-laws, Association's Trustees do not receive any compensation or remuneration.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. <b>Annual General Meeting</b> Provide proof if minority shareholders have a right to nominate candidates to the board. <b>Annual General Meeting</b> Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
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 as assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	<b>Annual General Meeting</b>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs <b>Board Committee Duties and Responsibilities</b>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	Identify transactions that were approved pursuant to the policy. <b>None</b>	

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.  <b><u>Articles of Incorporation and By-laws</u></b>  Identify the Management team appointed.	
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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information of the assessment process and indicate frequency of assessment of performance.  <b><u>Articles of Incorporation and By-laws</u></b>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.  <b><u>Board Committee Duties and Responsibilities</u></b>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		



<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<b><u>Audit and Compliance Charter</u></b>	
3. Board approves the Internal Audit Charter	COMPLIANT	Provide reference or link to the company's Internal Audit Charter  <b><u>Audit and Compliance Charter</u></b>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management and how the board was guided by the framework. <b><u>AFS NOTE 25 (RISK MGT OBJECTIVES AND POLICIES)</u></b>	
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	Provide proof of effectiveness of risk management strategies, if any. <b><u>AFS NOTE 25 (RISK MGT OBJECTIVES AND POLICIES)</u></b>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.  <b><u>www.mtprovince.com</u></b> <b><u>Corporate Governance Manual</u></b>	

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 Commission Charter.

<b>Recommendation 3.1</b>		
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company.  <b><u>Corporate Governance Manual (iv. Board Committees)</u></b>

<b>Recommendation 3.2</b>		
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 information or link/reference to a document containing information on the Audit Committee, including its functions.  <b><u>Corporate Governance Manual (iv. Board Committees)</u></b>  Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.  <b><u>Corporate Governance Manual (iv. Board Committees)</u></b>
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.  The Chairman of the Board is also the Chief Audit Executive.

<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and /or experience of the members of the Audit Committee.</p> <p><b><u>BOD Profile</u></b></p> <p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</p>	<p>The Chairman of the Board is also the Chief Audit Executive.</p>
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</p>	<p>The Chairman of the Board is also the Chief Audit Executive.</p>
<p><b>Recommendation 3.3</b></p>			
<p>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</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</p> <p><b><u>Board Committees Duties and Responsibilities Corporate Governance Manual (iv. Board Committees)</u></b></p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	<p>The Vice President of the Board is also the Chairman of Corporate Governance Committee.</p>
<p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	<p>The Vice President of the Board is also the Chairman of Corporate Governance Committee.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p>The Vice President of the Board is also the Chairman of Corporate Governance Committee.</p>

<b>Recommendation 3.4</b>			
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 information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its function.  <b><i>Board Committees Duties and Responsibilities</i></b>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship  <b><i>Board Committees Duties and Responsibilities</i></b>	
3. The Chairman of the BROC is not the Chairman of the Board of any other committee	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC  <b><i>Board Committees Duties and Responsibilities</i></b>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.  <b><i>Board Committees Duties and Responsibilities</i></b>	
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transaction (RPT) Committee, including its functions.  <b><i>Board Committees Duties and Responsibilities</i></b>	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The Chairman of RPT Committee is also Corporate Secretary.
<b>Recommendation 3.6</b>			

1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or link/reference to the company's committee charters containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.  <b><i>Board Committees Duties and Responsibilities</i></b>	
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	Provide link to company's website where the Committee Charters are disclosed.  <b><i>www.mtprovince.com</i></b>	

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

<b>Recommendation 4.1</b>			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission,	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele-/videoconferencing board and/or committee meetings.  Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<b><i>Annual General Meeting</i></b>	
3. The directors asks the necessary questions or seek classifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	

**Annual General Meeting**

<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve as directors to a maximum of five insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/Views, and oversee the long-term strategy of the company.	NON-COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.  Provide information or link/reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	The Association does not have specific guidelines on the limit of board seats that a non-executive director can hold.
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or meetings of board meeting wherein the matter was discussed.	No written notification yet. The directors do not have any directorship in other company.
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board.  <b>Articles of Incorporation and By-laws</b>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors.  <b>BOD Profile</b>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years.  As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from	NON-COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	The independent directors have not yet reached the nine-year term service.

<p>02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>			
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p> <p><b><i>Articles of Incorporation and By-laws</i></b></p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p>	COMPLIANT	<p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</p>	<p>None. The Association obtained its juridical personality last 2012.</p>
<p><b>Recommendation 5.4</b></p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officers are held by separate individuals.</p>	COMPLIANT	<p>Identify the company's Chairman of the Board and Chief Executive Officer.</p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p><b><i>BOD Profile</i></b></p> <p><b><i>Corporate Governance Manual (B. The Officers of the Association)</i></b></p>	

			Identify the relationship of Chairman and CEO.	The Chairman and the CEO is not related to each other.
<b>Recommendation 5.5</b>				
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.		NON-COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.  Indicate if Chairman is independent.	The Association does not have a clear guideline to designate a lead director among independent directors since the Chairman and CEO are being held by different persons.
<b>Recommendation 5.6</b>				
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.		COMPLIANT	Provide proof of abstention, if this was the case.	The Association does not have such transaction yet.
<b>Recommendation 5.7</b>				
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporations.		NON-COMPLIANT	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	Meetings are chaired by the Board of Trustees or by the President.
2. The meetings are chaired by the lead independent director.		NON-COMPLIANT		Meetings are chaired by the Board of Trustees or by the President.
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.				
<b>Recommendation 6.1</b>				
1. The Board conducts an annual assessment of its performance as a whole.		COMPLIANT		



2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	<b><i>Annual General Meeting</i></b>	
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.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The Association failed to include an external facilitator in the previous annual meeting. The Association considers including one in the succeeding annual meetings.

**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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<b><i>Articles of Incorporation and By-Laws</i></b>	

**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	Provide information or link/reference to the company's Code of Business Conduct and Ethics.	<b><i>Corporate Responsibility Report</i></b>
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	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. <b><i>Corporate Responsibility Report</i></b>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed. <b><i>www.mtprovince.com</i></b>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.  Indicate who are required to comply with the Code of Business Conduct Ethics and any findings on non-compliance. <b><i>Corporate Responsibility Report</i></b>	
<b>Disclosure and Transparency</b>			
<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.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.  <b><i>Audited Financial Statement</i></b>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to	COMPLIANT	Provide link/reference to the directors' academic qualifications, share ownership in the company,	

<p>evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</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 interest that might affect their judgment.</p>		<p>membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><b><i>BOD Profile</i></b></p> <p>Provide link/reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><b><i>BOD Profile</i></b></p>	
<p><b>Recommendation 8.4</b></p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</p> <p><b><i>Board Committees Duties and Responsibilities</i></b></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p> <p><b><i>Articles of Incorporation and By-laws</i></b></p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>NON-COMPLIANT</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>The Association does not fully disclose the remuneration on an individual basis.</p>
<p><b>Recommendation 8.5</b></p>			

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>COMPLIANT</p>	<p>Disclose or provide reference/link to company's RPT policies <b><i>Board Committees Duties and Responsibilities</i></b></p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	
<p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.</p>	<p>COMPLIANT</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. Name of the related counterparty;</li> <li>2. Relationship with the party;</li> <li>3. Transaction date;</li> <li>4. Type/Nature of transaction;</li> <li>5. Amount or contract price;</li> <li>6. Terms of the transaction;</li> <li>7. Rationale for entering into the transaction;</li> <li>8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. Other terms and conditions.</li> </ol> <p><b><i>Audited Financial Statement (Note 23 Related Party Transactions)</i></b></p> <p><b><i>Annual Report</i></b></p>	
<p>Recommendation 8.7</p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>COMPLIANT</p>	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p>	
<p>2. Company's MCG is posted on its company website.</p>	<p>COMPLIANT</p>	<p><a href="http://www.mtprovince.com">www.mtprovince.com</a></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.

**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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, removal and fees of the company's external auditor.</p> <p><b><u>Audit and Compliance Charter</u></b></p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>COMPLIANT</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><b><u>Audit and Compliance Charter</u></b></p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p><b><u>Audit and Compliance Charter</u></b></p>	

**Recommendation 9.2**

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant</li> </ul>	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Audit Committee Charter.</p> <p><b><u>Audit and Compliance Charter</u></b></p>	
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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	Provide link/reference to the company's Audit Committee Charter.  <i><b>Audit and Compliance Charter</b></i>	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.  <i><b>Annual Report</b></i>	
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	Provide link/reference to guidelines or policies on non-audit services.  <i><b>Annual Report</b></i>	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.  <i><b>Corporate Responsibility Report</b></i>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.  <i><b>Corporate Responsibility Report</b></i>	

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.

COMPLIANT

Disclose and identify the communication channels used by the company (i.e., website, Analysts briefing, Media briefings/press conferences, Quarterly reporting, Current reporting, etc.).  
Provide links, if any.

[www.mtprovince.com](http://www.mtprovince.com)

**Internal Control System and Risk Management Framework**

**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.

**Recommendation 12.1**

1. Company has an adequate and effective internal control system in the conduct of its business.

COMPLIANT

List quality service programs for the internal audit functions.

***Audit and Compliance Charter***

Indicate frequency of review of the internal control system.  
Identify international framework used for Enterprise Risk Management.

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.

COMPLIANT

Provide information or reference to a document containing information on:

1. Company's risk management procedures and processes
2. Key risks the company is currently facing
3. How the company manages the key risks

			Indicate frequency of review of the enterprise risk management framework. <b><i>AFS Note 25 (Risk Management Objectives and Policies)</i></b>	
<b>Recommendation 12.2</b>				
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT		Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The Internal Audit is in-house.
<b>Recommendation 12.3</b>				
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT		Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		<b><i>Board Committees Duties and Responsibilities Audit and Compliance Charter</i></b>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT		Identify qualified independent executive or senior management personnel, if applicable. <b><i>Audit and Compliance Charter</i></b>	
<b>Recommendation 12.4</b>				
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT		Provide information on company's risk management function.	
<b>Recommendation 12.5</b>				
1. In managing the company's Risk Management System, the company has a Chief Risk Officer	COMPLIANT		<b><i>Corporate Governance Manual (IV. Board Committees)</i></b>	



<p>(CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>		<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>	<p><b><i>Board Committees Duties and Responsibilities</i></b></p>	

**Cultivating a Synergic Relationship with Shareholders**

**Principle 1.3:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

**Recommendation 13.1**

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p><b><i>Articles of Incorporation and By-Laws</i></b> <b><i>Corporate Governance Manual (V. Members)</i></b></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Provide link to company's website.</p> <p><b><i>www.mtprovince.com</i></b></p>	

**Recommendation 13.2**

<p>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.</p>	<p>COMPLIANT</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p><b><i>Articles of Incorporation and By-Laws</i></b></p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p align="center"><b><i>Yes</i></b></p>	
		<p>Provide link to the Agenda included in the company's Information Statement</p>	

		<b>Notice of Meeting</b>	
<b>Recommendation 13.3</b>		<b>COMPLIANT</b>	
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.			Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.  <i>Annual General Meeting</i>
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	<b>COMPLIANT</b>		Provide link to minutes of meeting in the company website. <i>www.mtprovince.com</i>  Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. <i>Annual General Meeting</i>  Indicate also if the voting on resolutions was by poll. <i>Annual General Meeting</i>  Include whether there was opportunity to ask question and the answers given, if any. <i>Annual General Meeting</i>
<b>Recommendation 13.4</b>		<b>NON-COMPLIANT</b>	
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner			Provide detail of the alternative dispute resolution made available to resolve intra-corporate disputes.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>NON-COMPLIANT</b>		Provide link/reference to where it is found in the Manual on Corporate Governance.
<b>Duties to Stakeholders</b>			
			The Association does not have detailed alternative dispute resolution yet but it is stated in the Articles of incorporation and By-Laws about the process that addresses disputes or conflicts.  The Association does not have detailed alternative dispute resolution yet but it is stated in the Articles of incorporation and By-Laws about the process that addresses disputes or conflicts.

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

<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.  <i>Articles of Incorporation and By-laws</i> <i>Corporate Governance Manual (V. Members)</i>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders.  <i>Articles of Incorporation and By-laws</i> <i>Corporate Governance Manual (V. Members)</i>	
<b>Recommendation 14.3</b>			
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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.  <a href="http://www.mtprovince.com">www.mtprovince.com</a>  Provide information on whistle blowing policy, practices and procedures for stakeholders.	

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information or link/reference to company policies, programs and procedures that encourage employee participation.  <a href="http://www.mtprovince.com">www.mtprovince.com</a>	
<b>Recommendation 15.2</b>			
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	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.  <b><i>Corporate Responsibility Report</i></b>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization.  <b><i>Corporate Responsibility Report</i></b>	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	Disclose or provide link/reference to the company whistle blowing policy and procedure for employees.  <a href="http://www.mtprovince.com">www.mtprovince.com</a>	
2. Board establishes a suitable framework for whistle blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns.	COMPLIANT	Indicate if the framework includes procedure to protect the employees from retaliation.  Provide contact details to report any illegal or unethical behavior.  <a href="http://www.mtprovince.com">www.mtprovince.com</a>	

3. Board supervises and ensures the enforcement of the whistle blowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistle blowing framework, including any incident of whistle blowing.  <b><i>Articles of Incorporation and By-laws</i></b>	
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**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

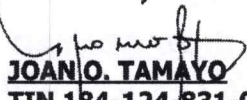
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.  <b><i>Corporate Responsibility Report</i></b>	

**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 Municipality of Solano, Nueva Vizcaya on the 21<sup>st</sup> of MAY 2024.

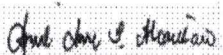
  
**TEOFISTO GLENN V. HERMOSA**  
TIN 121-729-093-000  
CHAIRMAN OF THE BOARD  
Signature over printed name

  
**JOAN O. TAMAYO**  
TIN 184-124-831-000  
CORPORATE SECRETARY  
Signature over printed name

  
**GLO ANGELINE P. BOBIER**  
TIN 313-791-019-000  
INDEPENDENT DIRECTOR  
Signature over printed name

  
**ELMER B. MABBAYAD**  
TIN 165-764-645-000  
PRESIDENT/CEO  
Signature over printed name

  
**ROLANDO A. DAIGOY**  
TIN 140-497-962-000  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
Signature over printed name

  
**APRIL ANNE T. ALCANTARA**  
TIN 246-853-748-000  
INDEPENDENT DIRECTOR  
Signature over printed name

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the following 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.

Doc No. 361;  
Page No. 73;  
Book No. CCCXI;  
Series of 2024.

**NOTARY PUBLIC**  
**EPIFANIO D.G. GALIMA, III**  
Notarial Commission No. 25-23  
Notary Public Until 12-31-2025  
Pob. South, Solano, Nva. Vizcaya  
Roll of Attorney's No. 57855  
IBP Lifetime 1086895, 1/4/18;  
PTR No. 2800824, 12/1/2023