

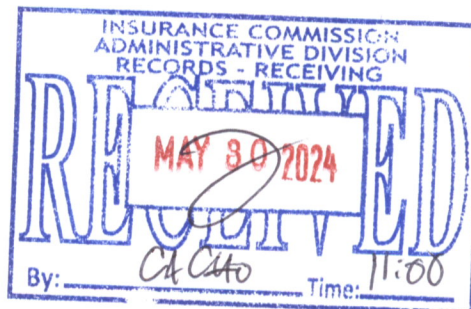


# Armed Forces and Police Mutual Benefit Association, Inc.

Col Bonny Serrano Road cor. EDSA, Camp Aguinaldo, Quezon City, 1110  
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29 May 2024

**ATTY. REYNALDO A REGALADO**  
Insurance Commissioner  
Office of the Insurance Commission  
1071 United Nations Avenue  
Ermita, Manila



**SUBJECT: Submission of AFPMBAI 2023 Annual Corporate Governance Report (ACGR)**

Dear Commissioner Regalado:

In accordance with Insurance Commission Circular Letter No. 2020-72 and CL No. 2021-36, we have attached two (2) hard copies of the notarized and duly completed AFPMBAI 2023 Annual Corporate Governance Report (ACGR). Additionally, the supporting documents have been saved onto a USB drive for convenient transport and to avoid the bulk of physical documents. Moreover, as stipulated in the Circular Letter, all submitted files will be uploaded to the company website.

Respectfully submitted.

Very truly yours,

**MGEN NATHANIEL Y CASEM PN (M) (RET)**  
Compliance Officer



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## **ANNUAL CORPORATE GOVERNANCE REPORT OF ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION, INCORPORATED (AFPMBAI)**

1. For the fiscal year ended: 31 December 2023
2. Certificate Authority Number: Mutual Benefit Association's License  
No. 2022-02-R issued by the Insurance Commission
3. Province, Country or other jurisdiction  
of incorporation or organization: Metro Manila, Philippines
4. Address of Principal Office, Postal Code: AFPMBAI Building, Col Bonny Serrano Road cor EDSA,  
Quezon City, 1110
5. Company's telephone number, including  
area code: (+632)8822-6224
6. Company's official website: [www.afpmbai.com.ph](http://www.afpmbai.com.ph)
7. Former name, former address, and former  
fiscal year, if changed since last report: N.A.

## ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>  <b>AMENDED NOMINATION AND ELECTION POLICY (Amended MCG Annex A)</b> <a href="#">Nomination and Screening Process, p2-5</a>  7. Candidates for the Board seats here enumerated must possess the necessary academic education and experience in business and insurance administration or activities related to the business operations of the Association to qualify as members of the Board. In particular, below are the qualifications and disqualifications of candidates for Board seats:  Qualifications a. A regular member of AFPMBAI; b. Possesses qualities of integrity and probity; and c. Possesses necessary skills and experience in terms of management capabilities, and preferably in the field of insurance, legal, finance/investment management, audit/ accounting or related disciplines	
2. Board has an appropriate mix of competence and expertise	C		
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.	C		
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>  <b>2023 ANNUAL REPORT</b> <a href="#">The Board of Trustees, p33-35</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: H. Trustees' Training, p13-14</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Continuing Education Program, p11-13</a>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	C		
3. Company has relevant annual continuing training for all directors.	C		
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: E. Composition of the Board of Trustees and Board Diversity Policy, p9</a>	

Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VII. Corporate Officers: E. Corporate Secretary, p23-24</a>  <b>2023 GOVERNANCE REPORT, p34 and 36</b> <a href="#">Continuing Education Program, p11-13</a> <a href="#">Governance Committee, p34</a> <a href="#">Audit Committee, p36</a>  <b>2023 ANNUAL REPORT,</b> <a href="#">Corporate Officer, p31</a>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	C		
3. Corporate Secretary is not a member of the Board of Directors.	C		
4. Corporate Secretary attends training/s on corporate governance.	C		
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VIII. Control Function Heads: B. Compliance Officer, p25-26</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Continuing Education Program, p11-13</a>  <b>2023 ANNUAL REPORT</b> <a href="#">Corporate Officer, p31</a>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	C		
3. Compliance Officer is not a member of the Board.	C		
4. Compliance Officer attends training/s on corporate governance annually.	C		
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Board and Board Committee Meeting Attendance and Accomplishment, p32-43</a>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Board and Board Committee Meeting Attendance and Accomplishment, p32-43</a>	
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.	C		
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14</a>	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: E. Composition of the Board of Trustees and Board Diversity Policy , p9-11</a>	
2. Board adopts a policy on the retirement for directors and key officers.	C		<b>2023 GOVERNANCE REPORT</b> <a href="#">Nomination and Remuneration Committee, p42</a>
		<b>AFPMBAI MC NO. 009-2021: SUCCESSION PLANNING POLICY</b> <a href="#">(II. Policy Statement)</a> "It shall be the policy of the Association to ensure Business Continuity and implement a Corporate Governance best practice of readying its high-potential employees through structured developmental interventions like training, coaching, and mentoring to be ready to succeed the key positions in the Association. It shall provide guidelines and step by step procedures – from nomination to development to evaluation and selection of the best candidate for a certain target key position."  <a href="#">(VI. General Guidelines)</a>	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: L. Trustees' Benefits, p15</a>	
2. Board aligns the remuneration of key officers and board members with the long-term interests of the company.	C		<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Remuneration Policy for The Members of the Board Of Trustees, p46</a>
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	C		<b>SUMMARY OF MINUTES OF 2023 AGM</b> <a href="#">Proposed Amendments to the Policy on Per Diem and Allowances, p5-6</a>
		<b>SUMMARY OF MINUTES OF 2024 AGM</b> <a href="#">Board Per Diem and Allowances, p5-6</a>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	C	<b>AMENDED NOMINATION AND ELECTION POLICY (Amended MCG Annex A)</b>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	C		<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: E. Composition of the Board of Trustees and Board Diversity Policy , p9-11</a>
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	C		
4. Board nomination and election policy includes how the board reviews nominated candidates.	C		
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.	C		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	C		

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.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a> <a href="#">Report on Material Related Party Transactions (RPT), p57-58</a>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	C	<b>AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</b> (Amended MCG Annex J) <a href="#">VI. Responsibilities: B. Related Party Transactions, p3-4</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	C		
Recommendation 2.8			
1. The 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).	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VII. Corporate Officers, p20-24</a> <a href="#">VIII. Control Function Heads, p24-27</a>  <b>2023 ANNUAL REPORT</b> <a href="#">Corporate Officer, p31</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Performance Assessment of Control Function Heads, p45</a>	
2. The 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).	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: M. Performance Assessment of Trustees: President and Chief Executive Officer, p16-17</a> <a href="#">VIII. Control Function Heads, p24-27</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Performance Assessment of The Board of Trustees, p30-31</a> <a href="#">Performance Assessment Criteria of Trustees and Corporate Officers, p44</a> <a href="#">Performance Assessment of Control Function Heads, p45</a>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: M. Performance Assessment of Trustees, p15-17</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Survey on Board Performance, p9</a>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	C	<a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Performance Assessment of The Board of Trustees, p30-31</a> <a href="#">Performance Assessment Criteria of Trustees and Corporate Officers, p44</a> <a href="#">Performance Assessment of Control Function Heads, p45</a>  <b><a href="#">PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM</a></b>	

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	C	<a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a>	
2. The internal control system includes mechanism for monitoring and managing potential conflict of interest of the Management members and shareholders.	C	<a href="#">INTERNAL AUDIT OFFICE CHARTER (Amended MCG Annex N)</a>	
3. Board approves the Internal Audit Charter.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Audit Committee, p35-36</a> <a href="#">Audit Committee CY 2023 Annual Report, p51-52</a>	
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.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VIII. Control Function Heads: C. Risk Officer, p26-27</a>	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	C	<a href="#">AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER (Amended MCG Annex J)</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a> <a href="#">Report on Material Related Party Transactions (RPT), p57-58</a>	
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.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE ANNEXES:</b> <a href="#">Annex H: Amended Governance Committee Charter</a> <a href="#">Annex I: Amended Audit Committee Charter</a> <a href="#">Annex J: Amended Risk Oversight and Related Party Transaction Committee Charter</a>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	C	<a href="#">Annex K: Revised Investment Committee Charter</a> <a href="#">Annex L: Membership Committee Charter</a>	
3. Board Charter is publicly available and posted on the company's website.	C	<a href="#">Annex M: Amended Social Services Program Committee Charter</a>	
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VI. Board Committees, p18-19</a> A. Governance Committee B. Audit Committee C. Risk Oversight and Related Party Transaction Committee D. Investment Committee E. Membership Committee F. Social Services Program Committee	

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.	C	<b>AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER</b> (Amended MCG Annex I) <a href="#">V. Responsibilities, p2-7</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.	C	<b>AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER</b> (Amended MCG Annex I) <a href="#">VI. Membership, p7</a>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Audit Committee, p35-36</a> <a href="#">Audit Committee CY 2023 Annual Report, p51-52</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	C		
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.	C	<b>AMENDED GOVERNANCE COMMITTEE (GOVCOM) CHARTER</b> <a href="#">(Amended MCG Annex H)</a>	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Governance Committee, p35</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	C	<b>AMENDED GOVERNANCE COMMITTEE (GOVCOM) CHARTER</b> (Amended MCG Annex H) <a href="#">VII. Membership, p4</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Governance Committee, p34</a>	
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.	C	<b>AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</b> <a href="#">Amended MCG Annex J</a>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	C	<b>AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</b> <a href="#">Amended MCG Annex J</a>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	C	<a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a>	



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.	C	<a href="#">AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</a> <a href="#">Amended MCG Annex J</a>	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	C	<a href="#">AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</a> <a href="#">Amended MCG Annex J</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a> <a href="#">Report on Material Related Party Transactions (RPT), p57-58</a>	
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: M. Performance Assessment of Trustees: President and Chief Executive Officer, p15-17</a> <a href="#">VIII. Control Function Heads, p24-27</a>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	C	<a href="#">Annex H: Amended Governance Committee Charter</a> <a href="#">Annex I: Amended Audit Committee Charter</a> <a href="#">Annex J: Amended Risk Oversight and Related Party Transaction Committee Charter</a> <a href="#">Annex K: Revised Investment Committee Charter</a> <a href="#">Annex L: Membership Committee Charter</a> <a href="#">Annex M: Amended Social Services Program Committee Charter</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Survey on Board Performance, p9</a> <a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Performance Assessment of The Board of Trustees, p30-31</a> <a href="#">Performance Assessment Criteria of Trustees and Corporate Officers, p44</a> <a href="#">Performance Assessment of Control Function Heads, p45</a>	
3. Committee Charters were fully disclosed on the company's website.	C	<a href="#">Board Committee Charters</a>	

<b>Principle 4:</b> To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.		
<b>Recommendation 4.1</b>		
1. The Directors attend and actively participate in all meetings of the Board, Committees, and shareholders in person or through tele/video conferencing conducted in accordance with the rules and regulations of the Commission.	C	<b>AMENDED PROTOCOL FOR BOARD MEETINGS</b> (Amended MCG Annex F) <a href="#">Quorum and Attendance, p1-2</a>  <b>AMENDED PROTOCOL FOR BOARD COMMITTEE MEETINGS</b> (Amended MCG Annex G) <a href="#">Quorum and Attendance, p1</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Board and Board Committee Meeting Attendance And Accomplishment, p32-43</a>
2. The directors review meeting materials for all Board and Committee meetings.	C	<b>AMENDED PROTOCOL FOR BOARD MEETINGS</b> (Amended MCG Annex F) <a href="#">Distribution of Board Meeting Materials, p3</a>  <b>AMENDED PROTOCOL FOR BOARD COMMITTEE MEETINGS</b> (Amended MCG Annex G) <a href="#">Distribution of Board Meeting Materials, p2</a>
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	C	<b>TWO (2) MINUTES OF BOT/BOARD COMMITTEE MEETINGS</b> <a href="#">Organizational Meeting - 20 May 2023</a> <a href="#">NRC Minutes - 20 February 2023</a>
<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.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: N. Multiple Board Seats, p17</a>
<b>Recommendation 4.3</b>		
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: F. Qualifications of a Trustee, p9-11</a>
<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.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Trustees Elected, p7-9</a> <a href="#">Board and Board Committee Meeting Attendance and Accomplishment, p32-33</a>
<b>Recommendation 5.2</b>		
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: G. Independent Trustees, p12-13</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>

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 Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>	C	<p><b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b>  <a href="#">IV. Board of Trustees: I. Term of Office, p14</a></p> <p><b>2023 GOVERNANCE REPORT</b>  <a href="#">Biographical Details of the Board of Trustees, p14-29</a>  <a href="#">Board and Board Committee Meeting Attendance and Accomplishment, p32-33</a></p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	C	<p><b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b>  <a href="#">IV. Board of Trustees: I. Term of Office, p14</a></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>	C	<p><b><a href="#">AMENDED BY-LAWS</a></b></p> <p>There is no instance that we accept an Independent Director serving for nine (9) years or more.</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	C	<p><b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b>  VII. Corporate Officer  <a href="#">A. Chairman of the Board, p20-21</a>  B. xxx  <a href="#">C. President and CEO, p21-22</a></p> <p><b>2023 GOVERNANCE REPORT</b>  <a href="#">Biographical Details of the Board of Trustees, p14-29</a></p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	C	<p><b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b>  VII. Corporate Officer:  <a href="#">A. Chairman of the Board, p20-21</a>  B. xxx  <a href="#">C. President and CEO, p21-22</a></p>	
Recommendation 5.5			
<p>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.</p>	C	<p><b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b>  <a href="#">VII. Corporate Officer: A. Chairman of the Board, p20-21</a></p> <p><b>2023 GOVERNANCE REPORT</b>  <a href="#">Biographical Details of the Board of Trustees, p15-16</a></p>	

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.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: D. Responsibilities of the Board, p14</a>  <b>AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER</b> (Amended MCG Annex J) <a href="#">VI. Responsibilities: B. Related Party Transactions, p2-4</a>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	C	<a href="#">2023 GOVERNANCE REPORT, p2-3</a>  <b>AMENDED PROTOCOL FOR BOARD MEETINGS</b> (Amended MCG Annex F) <a href="#">Meetings, p1</a>	
2. The meetings are chaired by the lead independent director.	C		
<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.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: M. Performance Assessment of Trustees, p15</a>	
2. The performance of the Chairman is assessed annually by the Board.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Survey on Board Performance, p9</a> <a href="#">Biographical Details of the Board of Trustees, p14-29</a> <a href="#">Performance Assessment of The Board of Trustees, p30-31</a> <a href="#">Performance Assessment Criteria of Trustees and Corporate Officers, p44</a> <a href="#">Performance Assessment of Control Function Heads, p45</a>	
3. The performance of the individual member of the Board is assessed annually by the Board.	C		
4. The performance of each committee is assessed annually by the Board.	C		
5. Every three years, the assessments are supported by an external facilitator.	C	<a href="#">2023 GOVERNANCE REPORT, p2-3</a>  "To improve its governance practices, in 2023 the Board of Trustees approved the conduct of an external party assessment of Board performance by commissioning ICD to evaluate how the AFPMBAI Board performed its duties and responsibilities for the year. The external assessment of Board performance has now been established as a practice to be conducted every three years."	
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.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: M. Performance Assessment of Trustees, p15-17</a>	
2. The system allows for a feedback mechanism from the shareholders.	C	<b>SUMMARY OF THE MINUTES OF THE 2023 AGM</b> <a href="#">XVIII. Other Matters, p8-9</a>  <b>SUMMARY OF THE MINUTES OF THE 2024 AGM</b> <a href="#">XVII. Other Matters, p8-9</a>	

<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	C	<a href="#">CODE OF CONDUCT</a> <a href="#">CODE OF ETHICS</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IV. Board of Trustees: H. Trustees' Training, p13-14</a>	
3. The Code is disclosed and made available to the public through the company website.	C	<a href="#">CODE OF CONDUCT</a> <a href="#">CODE OF ETHICS</a>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	C	<b>AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER</b> (Amended MCG Annex I) <a href="#">VIII. Conflict(s) of Interest, p8</a>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">XI. Cultivating Synergistic Relationship with the Stakeholders: A. Access of Information, p29</a> <a href="#">CODE OF CONDUCT</a> <a href="#">CODE OF ETHICS</a>	
<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 gives a fair and complete picture of a company's financial condition, results and business operations.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">IX. Financial Reporting, p27</a> <a href="#">2023 ANNUAL REPORT</a> <a href="#">2023 SUSTAINABILITY REPORT</a> <a href="#">2023 GOVERNANCE REPORT</a>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Biographical Details of the Board of Trustees, p14-29</a>	

Recommendation 8.4			
<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>	C	<p><b><u>AMENDED BY-LAWS</u></b>  Article VI. Board of Trustees, Section 12. Remuneration  “The members of the Board of Trustees shall not receive any compensation or remuneration for their services as such, except for reasonable allowance and per diem.”</p> <p><b>SUMMARY OF MINUTES OF 2023 AGM</b>  <a href="#">Proposed Amendments to the Policy on Per Diem and Allowances, p5-6</a></p> <p><b>SUMMARY OF MINUTES OF 2024 AGM</b>  <a href="#">Board Per Diem and Allowances, p5-6</a></p> <p><b>2023 GOVERNANCE REPORT</b>  <a href="#">Remuneration Policy for The Members of the Board of Trustees, p46</a></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	C	<p><b><u>AFPMBAI MEMORANDUM CIRCULAR NO. 011-95: WAGE AND SALARY ADMINISTRATION (V. Guidelines)</u></b>  “A. All jobs in the Association have been classified into various pay classes wherein a minimum and maximum salary for each class have been fixed and accordance with the Job Classification.”</p>	<p>Remuneration of employees, including executive remuneration, is based on the Board-approved Salary Structure and Compensation package, duly researched and deliberated upon by the Nomination and Remuneration Committee, approved by the Board, and ultimately ratified by the members during the Annual General Membership (AGM) meeting. Ratification of Management and Board actions during the AGM already answers the disclosure and transparency requirement.</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	NC	<p><b><u>AMENDED BY-LAWS</u></b>  Article VI. Board of Trustees</p> <p><b>SUMMARY OF MINUTES OF 2023 AGM</b>  <a href="#">Proposed Amendments to the Policy on Per Diem and Allowances, p5-6</a></p> <p><b>SUMMARY OF MINUTES OF 2024 AGM</b>  <a href="#">Board Per Diem and Allowances, p5-6</a></p> <p><b>2023 GOVERNANCE REPORT</b>  <a href="#">Remuneration Policy for The Members of the Board of Trustees, p46</a></p>	<p>Although individual remuneration of trustees is not disclosed due to data privacy, the term of office, termination, or retirement of the CEO as an elected officer of the Association, is consistent with the provisions of the Amended By-Laws, and the Manual of Corporate Governance.</p>

Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a> <a href="#">Report on Material Related Party Transactions (RPT), p57-58</a>	
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.	C		<a href="#">AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER (Amended MCG Annex J)</a>
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	C	<a href="#">AMENDED MANUAL OF CORPORATE GOVERNANCE</a> MCG is one of the references uploaded on the website	
2. Company's MCG is posted on its company website.	C		
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	C	<b>AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER</b> (Amended MCG Annex I) <a href="#">V. Responsibilities: 8. External Auditors, p5-6</a>  <b>AFPMBAI MEMORANDUM CIRCULAR NO. 003-2022</b> <a href="#">7.0 Procedure, p7-10</a>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Audit Committee, p35-36</a> <a href="#">Audit Committee CY 2023 Annual Report, p51-52</a>  <b>SUMMARY OF MINUTES OF 2023 AGM</b> <a href="#">X. Approval of the Selection of the External Auditor for CY 2023 and CY 2024 Statutory Audit, p4</a>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	C		
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.	C		

Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. Assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	C	<a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	C	<a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a>	
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.	C	<a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a> <a href="#">V. Responsibilities: 8. External Auditors. p5-6</a>  There was no non-audit service performed by the same external auditor handling the statutory audit in CY2023.  <b>2023 GOVERNANCE REPORT</b> <a href="#">Audit Committee. p35-36</a> <a href="#">Audit Committee CY 2023 Annual Report. p51-52</a>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	C	<a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a>  There was no non-audit service performed by the same external auditor handling the statutory audit in CY2023.	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	C	<a href="#">AMENDED MANUAL OF CORPORATE GOVERNANCE</a> <a href="#">III. Commitment to Good Governance and Sustainability. p6</a>  <a href="#">2023 SUSTAINABILITY REPORT</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	C	<a href="#">AMENDED MANUAL OF CORPORATE GOVERNANCE</a> <a href="#">III. Commitment to Good Governance and Sustainability. p6</a>  <a href="#">SUSTAINABILITY FRAMEWORK</a> <a href="#">2023 SUSTAINABILITY REPORT</a>	



<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	C	<p>Communication channels used by the company:</p> <p>Company website: <a href="http://www.afpmbai.com.ph">www.afpmbai.com.ph</a></p> <p>Facebook page: <a href="https://www.facebook.com/AFPMBIAOfficial/">https://www.facebook.com/AFPMBIAOfficial/</a></p> <p>Youtube: <a href="https://www.youtube.com/c/AFPMBIAOfficial">https://www.youtube.com/c/AFPMBIAOfficial</a></p> <p>Instagram: <a href="https://www.instagram.com/afpmbai">https://www.instagram.com/afpmbai</a></p> <p>Twitter: <a href="https://twitter.com/afpmbaiofficial">https://twitter.com/afpmbaiofficial</a></p> <p>Linkedin: <a href="https://www.linkedin.com/company/afpmbai/">https://www.linkedin.com/company/afpmbai/</a></p> <p>Official Email: mail@afpmbai.ph</p> <p>Phone: +632 8822-MBAI (6224)</p>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	C	<p><a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a></p> <p><b>2023 GOVERNANCE REPORT</b></p> <p><a href="#">Audit Committee, p35-36</a></p> <p><a href="#">Audit Committee CY 2023 Annual Report, p51-52</a></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	C	<p><a href="#">AMENDED RISK OVERSIGHT AND RELATED PARTY TRANSACTION COMMITTEE (RORPTC) CHARTER (Amended MCG Annex J)</a></p> <p><b>2023 GOVERNANCE REPORT</b></p> <p><a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a></p> <p><a href="#">Risk Management, p46-50</a></p> <p><a href="#">Report on Material Related Party Transactions (RPT), p57-58</a></p>	
<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.	C	<p><a href="#">INTERNAL AUDIT OFFICE CHARTER (Amended MCG Annex N)</a></p> <p>VI. Scope of Internal Audit Activities</p>	
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	C	<p><a href="#">AMENDED AUDIT COMMITTEE (AUDCOM) CHARTER (Amended MCG Annex I)</a></p> <p><a href="#">INTERNAL AUDIT OFFICE CHARTER (Amended MCG Annex N)</a></p>	
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.	C		

3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	C	<b>2023 ANNUAL REPORT</b> <a href="#">AFPMBAI Organizational Structure, p19</a> <a href="#">The Management Team, p37</a>  <b>INTERNAL AUDIT OFFICE CHARTER (Amended MCG Annex N)</b>  The internal audit activity is performed fully within the Association. It is not being outsourced.	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	C	<b>AMENDED RORPTC CHARTER</b>  <b>2023 GOVERNANCE REPORT</b> <a href="#">Risk Oversight and Related Party Transaction Committee, p37-38</a> <a href="#">Risk Management, p46-50</a> <a href="#">Report on Material Related Party Transactions (RPT), p57-58</a>	
<b>Recommendation 12.5</b>			
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).	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">VIII. Control Function Heads: c. Risk Officer, p26-27</a>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	C	<b>2023 GOVERNANCE REPORT</b> <a href="#">Performance Assessment of Control Function Heads, p45</a> <a href="#">Risk Management, p46-50</a>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">X. Upholding the Rights of AFPMBAI Members, p27-28</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	C	Since members/shareholders are also insurance policy holders, the <a href="#">Bill of Rights of Policy holders</a> are disclosed in the company website. The Amended MCG is also uploaded in the company website.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	C	<b>2023 GOVERNANCE REPORT, p3</b>  <b>NOTICE OF THE 2023 ANNUAL MEETING</b> (published in two major dailies, The Manila Bulletin and People's Journal on 3 April 2023)  <b>NOTICE OF THE 2024 ANNUAL MEETING</b> (published in the Manila Bulletin and in the People's Journal on April 13, 2024)	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or	C	<b>2023 GOVERNANCE REPORT, p4-9</b>  <b>SUMMARY OF MINUTES OF 2023 AGM</b> (upload on 22 May 2023)	

Special Shareholders' Meeting publicly available the next working day.		<a href="#">SUMMARY OF MINUTES OF 2024 AGM</a> (uploaded on 20 May 2024)	
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.	C	<a href="#">2023 GOVERNANCE REPORT. p4-9</a>  <a href="#">SUMMARY OF MINUTES OF 2023 AGM</a> (uploaded on 22 May 2023)  <a href="#">SUMMARY OF MINUTES OF 2024 AGM</a> (uploaded on 20 May 2024)	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">XI. Cultivating Synergistic Relationship with the Stakeholders: B. Alternative Dispute Policy . 29</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	C	<b>AMENDED MANUAL OF CORPORATE GOVERNANCE</b> <a href="#">XI. Cultivating Synergistic Relationship with the Stakeholders: B. Alternative Dispute Policy . 29</a>	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.	C	<a href="#">2023 SUSTAINABILITY REPORT</a>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	C	<a href="#">CODE OF ETHICS</a>	
<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.	C	<b>2023 SUSTAINABILITY REPORT</b> <a href="#">Whistle-blowing Policy .p8</a> <a href="#">Anti-corruption Policy .p8</a>  <b>CODE OF ETHICS</b> <b>Whistleblower Policy</b> Employees, stakeholders and members are encouraged to report in writing unethical practices to the concerned immediate superior or Head, HRD or AFPMBAI's Chief Corporate Services Officer, respectively, as most problems in this area can be resolved swiftly. The said offices, through an open-door policy, will accommodate problems on ethics. All of us are responsible for preventing violations of law and for acting as whistleblowers if we see possible breaches of internal policies, rules and regulations.  The Association has a website, and various social media accounts (Facebook, Instagram, Twitter, Youtube, LinkedIn) where members can reach/contact in case of concerns/queries/complaints.	

<b>Principle 15:</b> 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.	C	<a href="#">2023 SUSTAINABILITY REPORT, p10-11</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	C	<p><b>2023 SUSTAINABILITY REPORT</b> <a href="#">Anti-corruption Policy, p8</a></p> <p><b>CODE OF CONDUCT</b> (Anti-Corruption Program &amp; Procedures, p7-17)</p> <p><b>CODE OF ETHICS</b> (Anti-Bribery &amp; Anti-Corruption Policy) "We are committed to maintaining the highest ethical standards and vigorously enforcing the integrity of our business practices nationwide. AFPMBAI will not engage in bribery or corruption."</p>
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	C	<a href="#">2023 SUSTAINABILITY REPORT, p10-11</a>
<b>Recommendation 15.3</b>		
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	C	<p><b>CODE OF ETHICS</b> <b>Whistleblower Policy</b> Employees, stakeholders and members are encouraged to report in writing unethical practices to the concerned immediate superior or Head, HRD or AFPMBAI's Chief Corporate Services Officer, respectively, as most problems in this area can be resolved swiftly. The said offices, through an open-door policy, will accommodate problems on ethics. All of us are responsible for preventing violations of law and for acting as whistleblowers if we see possible breaches of internal policies, rules and regulations.</p> <p><b>CODE OF CONDUCT</b> (Investigation Rules and Procedure, p22-27)</p> <p><b>2023 SUSTAINABILITY REPORT</b> <a href="#">Whistle-blowing Policy, p8</a></p>
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	C	<p><b>CODE OF ETHICS</b> <b>Whistleblower Policy</b> Employees, stakeholders and members are encouraged to report in writing unethical practices to the concerned immediate superior or Head, HRD or AFPMBAI's Chief Corporate Services Officer, respectively, as most problems in this area can be resolved swiftly. The said offices, through an open-door policy, will accommodate problems on ethics. All of us are responsible for preventing violations of law and for acting as whistleblowers if we see possible breaches of internal policies, rules and regulations.</p> <p><b>2023 SUSTAINABILITY REPORT</b> <a href="#">Whistle-blowing Policy, p8</a></p>

3. Board supervises and ensures the enforcement of the whistleblowing framework.	C	<p><a href="#">CODE OF CONDUCT</a></p> <p>The Association follows the provisions of the Code of Conduct in handling reports on any infractions on internal policies. Depending on the nature of the allegation, the Association may need to create an Investigation Board to be appointed by the President.</p> <p>In the absence of an actual implementing guidelines on whistleblowing, our Management will handle such, as any report of possible violations in the Code of Conduct. If the need arises, elevating the matter to the Board thru concerned Committees shall be observed.</p> <ul style="list-style-type: none"> <li>- AudCom - matters involving results of Audits</li> <li>- GovCom - matters involving governance, organization, and policy implementation as well as appointments, people management, remuneration</li> </ul>	
<p><b>Principle 16:</b> 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.</p>			
<p>Recommendation 16.1</p>			
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.	C	<p><a href="#">2023 SUSTAINABILITY REPORT</a></p>	



# Armed Forces and Police Mutual Benefit Association, Inc.

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Republic of the Philippines )  
Quezon City, M.M. ) 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 Quezon this \_\_\_\_\_ 2024 .

  
GEN ROMEO S BRAWNER JR PA  
CHAIRMAN OF THE BOARD  
TIN  
Issued at BIR


  
BGEN BIENVENIDO Y REGONDOLA JR PA (RET)  
PRESIDENT/CEO  
TIN 139-300-247  
Issued at BIR

  
ATTY JONAS B CALLEJA  
CORPORATE SECRETARY  
TIN 126-613-839  
Issued at BIR

  
MGEN NATHANIEL Y CASEM PN (M) (RET)  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
TIN 720-125-077  
Issued at BIR

  
GEN RICARDO A DAVID JR PA (RET)  
INDEPENDENT TRUSTEE  
TIN 124-233-208  
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BGEN RODEL MAURO R ALARCON PA (RET)  
INDEPENDENT TRUSTEE  
TIN 142-140-034  
Issued at BIR

  
BGEN PHILIP S LAPINID PA (RET)  
INDEPENDENT TRUSTEE  
TIN 202-142-081  
Issued at BIR

**SUBSCRIBED AND SWORN** to before me this MAY 15 2024 2024, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as written below their names.

Witness my hand and seal.

Doc. No. 75  
Page No. 16  
Book No. VIII  
Series of 2024.

  
Atty. ELIZABETH A DEL FONSO-HIDALGO  
Notary Public - Quezon City  
Commission No. NP - 014 (2023-2024)  
Roll No. 50704 IBP/Lifetime #07596 QC  
PTR No. 5547770 Issued at QC on 01/10/2024  
MCLE Compliance No. VII-0004624  
AFPMBAI Bldg., Col Bonny Serrano Road  
corner EDSA, QUEZON CITY